

PEOPLES BANCORP INC  
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March 08, 2019  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Peoples Bancorp Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Peoples Bancorp Inc. 138 Putnam Street P.O. Box 738  
Marietta, OH 45750-0738  
Telephone: (740) 374-6136  
www.peoplesbancorp.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

PEOPLES BANCORP INC.

Marietta, Ohio

March 15, 2019

Dear Fellow Shareholders:

The Annual Meeting of Shareholders (the “Annual Meeting”) of Peoples Bancorp Inc. (“Peoples”) will be held at 10:00 a.m., Eastern Daylight Saving Time, on Thursday, April 25, 2019, at Peoples’ corporate headquarters located at 138 Putnam Street, Marietta, Ohio, for the following purposes:

1. To elect nine directors nominated by the Peoples Board of Directors to each serve until the 2020 Annual Meeting of Shareholders.
2. To consider and vote upon a non-binding advisory resolution to approve the compensation of Peoples’ named executive officers as disclosed in the accompanying Proxy

Statement for  
the Annual  
Meeting.

3. To consider  
and vote upon  
a proposal to  
ratify the  
appointment of  
Ernst & Young  
LLP as  
Peoples'  
independent  
registered  
public  
accounting  
firm for the  
fiscal year  
ending  
December 31,  
2019.

4. To transact any  
other business  
that properly  
comes before  
the Annual  
Meeting.  
Peoples' Board  
of Directors is  
not aware of  
any other  
business to  
come before  
the Annual  
Meeting.

If you were a holder of record of common shares of Peoples at the close of business on February 25, 2019, you will be entitled to vote in person or by proxy at the Annual Meeting.

We have elected to take advantage of Securities and Exchange Commission ("SEC") rules that allow us to furnish proxy materials to certain shareholders on the Internet. On or about the date of this Notice of Annual Meeting of Shareholders, we began mailing a notice of internet availability of proxy materials (the "Notice of Internet Availability") to shareholders of record at the close of business on February 25, 2019. The Notice of Internet Availability contains information on how to access the Proxy Statement (which describes in detail each of the matters to be considered at the Annual Meeting), Peoples' 2018 Annual Report to Shareholders and the form of proxy on the Internet, as well as instructions on how to request a paper copy of the proxy materials. At the same time, we provided shareholders of record with access to our online proxy materials and filed our proxy materials with the SEC. We believe furnishing proxy materials to our shareholders on the Internet allows us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. If you have received the Notice of Internet Availability, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained in the Notice of Internet Availability

and summarized on the following page.

It is important that your common shares be represented at the Annual Meeting whether or not you are personally able to attend. Accordingly, after reading the accompanying Proxy Statement, please promptly submit your proxy by telephone, Internet or mail as described in the Proxy Statement.

Submitting your proxy by telephone, Internet or mail does not deprive you of the right to attend the Annual Meeting and to vote your common shares in person in the manner described in the accompanying Proxy Statement.

To obtain directions to attend the Annual Meeting and vote in person, please call Investor Relations at 740-374-6136.

By Order of the Board,

M. Ryan Kirkham  
Corporate Secretary

YOUR VOTE IS IMPORTANT

Before you vote, access the proxy materials in one of the following ways prior to the Annual Meeting:

To view Online: Visit [www.proxydocs.com/pebo](http://www.proxydocs.com/pebo) 24 hours a day, seven days a week, prior to 11:59 p.m., Central Daylight Saving Time, on April 24, 2019. With your Notice of Internet Availability handy, follow the instructions to log in, and view copies.

To request and receive a PAPER or E-MAIL copy:

You **MUST REQUEST** a paper or e-mail copy of the proxy materials. There is **NO** charge for requesting a copy. Please choose one of the following methods to make your request:

- (1) By Internet: [www.investorelections.com/pebo](http://www.investorelections.com/pebo)
- (2) By Telephone: 1-866-870-3684
- (3) By E-Mail\*: [paper@investorelections.com](mailto:paper@investorelections.com)

\* If you request proxy materials by e-mail, please send a blank e-mail with “pebo Materials Request” included in the subject line. The e-mail must include: (i) the 11-digit control # located in the box in the upper right hand corner on the front of your Notice of Internet Availability, (ii) your preference to receive printed proxy materials via mail -or- to receive an e-mail with links to the electronic proxy materials, (iii) if you choose e-mail delivery, the e-mail address to which the links to the electronic proxy materials is to be sent, and (iv) if you would like this election to apply to the delivery of materials for all future meetings, write the word “Permanent” and include the last 4 digits of your Tax ID number in the e-mail. Requests, instructions and other inquiries sent to this e-mail address will **NOT** be forwarded to your investment advisor. Please make the request as instructed above on or before April 12, 2019 to facilitate timely delivery of the proxy materials.

PEOPLES BANCORP INC.

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 25, 2019

<u>GENERAL</u>	1
<u>INFORMATION</u>	
<u>Mailing</u>	1
<u>SHAREHOLDER</u>	1
<u>PROPOSALS FOR</u>	
<u>2020 ANNUAL</u>	
<u>MEETING</u>	
<u>VOTING</u>	2
<u>INFORMATION</u>	
<u>Who can vote at the</u>	2
<u>Annual Meeting?</u>	
<u>What is a Notice of</u>	2
<u>Internet Availability?</u>	
<u>What is the difference</u>	2
<u>between holding</u>	
<u>common shares as a</u>	
<u>holder of record and</u>	
<u>as a beneficial owner?</u>	
<u>How do I vote?</u>	3
<u>How do I vote if my</u>	3
<u>common shares are</u>	
<u>held through the</u>	
<u>Peoples Bancorp Inc.</u>	
<u>Retirement Savings</u>	
<u>Plan?</u>	
<u>How will my common</u>	4
<u>shares be voted?</u>	
<u>How do I change or</u>	4
<u>revoke my proxy?</u>	
<u>If I vote in advance,</u>	4
<u>can I still attend the</u>	
<u>Annual Meeting?</u>	
<u>What constitutes a</u>	5
<u>quorum and what is</u>	
<u>the vote required with</u>	
<u>respect to the</u>	
<u>proposals to be</u>	
<u>considered at the</u>	
<u>Annual Meeting?</u>	
<u>Who pays the costs of</u>	6
<u>proxy solicitation?</u>	

SECURITY  
OWNERSHIP OF  
CERTAIN  
BENEFICIAL  
OWNERS AND  
MANAGEMENT

<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	10
--	----

<u>TRANSACTIONS WITH RELATED PERSONS</u>	10
--	----

<u>PROPOSAL NUMBER 1: ELECTION OF DIRECTORS</u>	11
---	----

<u>Majority Vote Standard</u>	12
-----------------------------------	----

<u>Recommendation and Vote Required</u>	12
---	----

<u>Nominees</u>	13
-----------------	----

<u>EXECUTIVE OFFICERS</u>	17
-------------------------------	----

<u>THE BOARD AND COMMITTEES OF THE BOARD</u>	18
--	----

<u>Independence of Directors</u>	18
--------------------------------------	----

<u>Executive Sessions</u>	19
---------------------------	----

<u>Meetings of the Board and Attendance at</u>	19
--	----

<u>Annual Meetings of Shareholders</u>	19
--	----

<u>Committees of the Board</u>	19
------------------------------------	----

<u>Audit Committee</u>	19
------------------------	----

<u>Compensation</u>	21
---------------------	----

<u>Committee</u>	22
------------------	----

<u>Executive</u>	22
------------------	----

<u>Committee</u>	22
------------------	----

<u>Governance and</u>	22
-----------------------	----

<u>Nominating</u>	22
-------------------	----

<u>Committee</u>	22
------------------	----

<u>Risk Committee</u>	23
-----------------------	----

<u>NOMINATING PROCEDURES</u>	25
<u>SHAREHOLDER COMMUNICATIONS WITH THE BOARD</u>	26
<u>PROPOSAL NUMBER 2: VOTE ON ADVISORY RESOLUTION TO APPROVE NAMED EXECUTIVE OFFICERS' COMPENSATION Recommendation and Vote Required</u>	27
<u>EXECUTIVE COMPENSATION: COMPENSATION DISCUSSION AND ANALYSIS Executive Summary of 2018 Fiscal Year Performance and Compensation Compensation Philosophy and Objectives Role of Executive Officers in Compensation Decisions Setting Executive Compensation 2018 Executive Compensation Components Base Salary</u>	28
	28
	37
	38
	38
	41
	41

---

<u>Cash and Equity-Based Incentive Program</u>	42
<u>Retirement and Other Benefits</u>	46
<u>Perquisites and Other Personal Benefits</u>	49
<u>Change in Control Agreements</u>	49
<u>Tax and Accounting Implications</u>	50
<u>Deductibility of Executive Compensation</u>	50
<u>Non-Qualified Deferred Compensation</u>	50
<u>Accounting for Equity-Based Compensation</u>	50
<u>Other Information</u>	51
<u>Stock Holding Requirement</u>	51
<u>Clawback Policy</u>	51
<u>CEO Pay Ratio</u>	51
<u>Summary</u>	51
<u>COMPENSATION COMMITTEE REPORT</u>	52
<u>Discussion of Risk Review and Assessment</u>	52
<u>SUMMARY COMPENSATION TABLE FOR 2018</u>	54
<u>GRANTS OF PLAN-BASED AWARDS FOR 2018</u>	57
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018</u>	59
<u>OPTION EXERCISES AND STOCK VESTED FOR 2018</u>	60
<u>PENSION BENEFITS FOR 2018</u>	61
<u>NON-QUALIFIED DEFERRED COMPENSATION FOR 2018</u>	61
<u>OTHER POTENTIAL POST EMPLOYMENT PAYMENTS</u>	64
<u>Payments Made Upon Termination of Employment</u>	64
<u>Payments Made Upon Retirement</u>	64
<u>Payments Made Upon Death or Disability</u>	65
<u>Payments Made Upon a Change in Control</u>	65
<u>DIRECTOR COMPENSATION</u>	69
<u>Compensation Paid to Board Members</u>	69
<u>2018 Fiscal Year</u>	69
<u>2019 Fiscal Year</u>	70
<u>Other Information Regarding Equity-Based Compensation</u>	70
<u>Deferred Compensation Plan for Directors</u>	71
<u>All Other Compensation</u>	71
<u>Stock Ownership Guidelines</u>	71

<u>DIRECTOR COMPENSATION FOR 2018</u>	72
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	72
<u>AUDIT COMMITTEE REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018</u>	73
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	73
<u>Fees</u>	74
<u>Pre-Approval Policy</u>	74
<u>PROPOSAL NUMBER 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	75
<u>Recommendation and Vote</u>	75
<u>HOUSEHOLDING OF ANNUAL MEETING MATERIALS</u>	75
<u>OTHER MATTERS</u>	76

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PEOPLES BANCORP INC.

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[www.peoplesbancorp.com](http://www.peoplesbancorp.com)

## PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS

To Be Held on April 25, 2019

### GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors (the “Board”) of Peoples Bancorp Inc. (“Peoples”) for use at the Annual Meeting of Shareholders, to be held on Thursday, April 25, 2019, at 10:00 a.m., Eastern Daylight Saving Time (the “Annual Meeting”). The Annual Meeting will be held at Peoples’ corporate headquarters located at 138 Putnam Street, Marietta, Ohio. This Proxy Statement summarizes the information that you will need in order to vote.

Peoples has two wholly-owned operating subsidiaries: Peoples Bank and Peoples Investment Company, and Peoples holds all of the common securities of NB&T Statutory Trust III. Peoples Bank’s operating subsidiaries include an insurance agency, Peoples Insurance Agency, LLC, and an asset management company, Peoples Tax Credit Equity, LLC. In 2003, Peoples established Peoples Bank Foundation, Inc. as an independent charitable foundation to provide financial assistance and grants to local organizations within Peoples’ market area.

### Mailing

On or about March 15, 2019, we will begin mailing a notice of internet availability of proxy materials (the “Notice of Internet Availability”) to all shareholders entitled to vote their common shares at the Annual Meeting. The Notice of Internet Availability contains instructions on how to access the Notice of Annual Meeting of Shareholders, this Proxy Statement, the form of proxy and Peoples’ 2018 Annual Report to Shareholders, which includes the Annual Report of Peoples on Form 10-K for the fiscal year ended December 31, 2018 (the “2018 Annual Report”) over the Internet.

Copies of the 2018 Annual Report may be obtained, without charge, by sending a written request to: M. Ryan Kirkham, Corporate Secretary, Peoples Bancorp Inc., 138 Putnam Street, P.O. Box 738, Marietta, Ohio 45750-0738. A copy of the 2018 Annual Report can be obtained through the “SEC Filings – Annual Reports” section of the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com) and is also on file with the Securities and Exchange Commission (the “SEC”) and available on the SEC’s website at [www.sec.gov](http://www.sec.gov).

### SHAREHOLDER PROPOSALS FOR 2020 ANNUAL MEETING

Proposals by shareholders intended to be presented at the 2020 Annual Meeting of Shareholders (the “2020 Annual Meeting”) must be received by the Corporate Secretary of Peoples no later than November 16, 2019, to be eligible for inclusion in Peoples’ form of proxy, notice of meeting, Proxy Statement and Notice of Internet Availability, as applicable, relating to the 2020 Annual Meeting. Peoples will not be required to include in its form of proxy, notice of meeting, Proxy Statement or Notice of Internet Availability, as applicable, a shareholder proposal that is received after

that date or that otherwise fails to meet the requirements for shareholder proposals established by the applicable SEC rules.

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The SEC has promulgated rules relating to the exercise of discretionary voting authority under proxies solicited by the Board. If a shareholder intends to present a proposal at the 2020 Annual Meeting without inclusion of that proposal in Peoples' proxy materials, and does not notify the Corporate Secretary of Peoples of the proposal by January 30, 2020, or if Peoples meets other requirements of the applicable SEC rules, the proxies solicited by the Board for use at the 2020 Annual Meeting will confer discretionary authority to vote on the proposal should it then be raised at the 2020 Annual Meeting.

In each case, written notice must be given to Peoples' Corporate Secretary, at the following address: Peoples Bancorp Inc., 138 Putnam Street, P.O. Box 738, Marietta, Ohio 45750-0738, Attention: Corporate Secretary.

Shareholders desiring to nominate candidates for election as directors at the 2020 Annual Meeting must follow the procedures described in the section captioned "NOMINATING PROCEDURES."

## VOTING INFORMATION

Who can vote at the Annual Meeting?

Only holders of common shares of record at the close of business on February 25, 2019, are entitled to receive notice of and to vote at the Annual Meeting. At the close of business on February 25, 2019, there were 19,681,659 common shares outstanding and entitled to vote. Other than the common shares, there are no voting securities of Peoples outstanding.

Each common share entitles the holder thereof to one vote on each matter to be voted upon at the Annual Meeting. There is no cumulative voting with respect to the election of directors.

What is a Notice of Internet Availability?

In accordance with rules adopted by the SEC, instead of mailing a printed copy of our proxy materials to each shareholder of record, we are permitted to furnish our proxy materials, including the Notice of Annual Meeting of Shareholders, this Proxy Statement and our 2018 Annual Report, by providing access to such documents on the Internet. Generally, shareholders will not receive printed copies of the proxy materials unless they request them.

A Notice of Internet Availability that provides instructions for accessing our proxy materials on the Internet was mailed directly to registered shareholders. The Notice of Internet Availability also provides instructions regarding how registered shareholders may vote their common shares on the Internet. Registered shareholders who prefer to receive a paper or e-mail copy of our proxy materials must follow the instructions provided in the Notice of Internet Availability for requesting such materials.

The Notice of Internet Availability only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice of Internet Availability and returning it. The Notice of Internet Availability provides instructions on how to cast your vote.

A notice that directs beneficial owners of our common shares to the website where they can access our proxy materials will be forwarded to each beneficial shareholder by the brokerage firm, bank or other holder of record that is considered the registered owner with respect to the common shares of the beneficial shareholder. Such brokerage firm, bank or other holder of record will also provide each beneficial owner of our common shares with instructions on how the beneficial shareholder may request a paper or e-mail copy of our proxy materials.

What is the difference between holding common shares as a holder of record and as a beneficial owner?

If, at the close of business on February 25, 2019, your common shares were held in an account at a brokerage firm, bank or other similar organization, then you are the beneficial owner of common shares held in “street name” and a notice directing you to the website where you can access our proxy materials is being forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the common shares in your account. If that organization is not given specific direction, common shares held in the name of that organization may not be voted and will not be considered as present and entitled to vote on any matter to be considered at the Annual Meeting other than the ratification of the appointment of Peoples’ independent registered public accounting firm. Please direct your broker how to vote your common shares following the instruction provided by your broker.

## How do I vote?

Your common shares may be voted by one of the following methods:

- by traditional paper proxy card;
- by submitting voting instructions via the website identified on your Notice of Internet Availability or proxy card;
- by submitting voting instructions by telephone; or
- in person at the Annual Meeting.

Submitting Voting Instructions via the Internet or by Telephone. If you are a shareholder of record (i.e., if your common shares are registered with Peoples in your own name), you may submit voting instructions via the Internet or by telephone, by following the instructions stated on your Notice of Internet Availability or proxy card if you requested a paper copy of our proxy materials. If your common shares are registered in the name of a broker, a financial institution or another nominee (i.e., you hold your common shares in “street name”), your nominee may be participating in a program that allows you to submit voting instructions via the Internet or by telephone. If so, the voting instruction form your nominee sent you will provide instructions for submitting your voting instructions via the Internet or by telephone. The last-dated proxy or voting instructions you submit (by any means) will supersede any previously-submitted proxies and voting instructions. Also, if you are a shareholder of record and you submit voting instructions via the Internet or by telephone and later decide to attend the Annual Meeting, you may revoke your previously-submitted voting instructions and vote in person at the Annual Meeting.

The deadline for submitting voting instructions via the Internet or by telephone as a shareholder of record is 11:59 p.m., Central Daylight Saving Time, on April 24, 2019. For shareholders whose common shares are registered in the name of a broker, a financial institution or another nominee, please consult the instructions provided by your nominee for information about the deadline for submitting voting instructions via the Internet or by telephone.

Voting in Person. If you are a record shareholder and you attend the Annual Meeting, you may deliver your completed proxy card in person if you requested a paper copy of our proxy materials, or you may vote by completing a ballot, which will be available at the Annual Meeting.

If you hold your common shares in “street name” through a broker, a financial institution or another nominee, then that nominee is considered the shareholder of record for voting purposes and will give you instructions for voting your common shares. As a beneficial owner, you have the right to direct the nominee on how to vote the common shares held in your account. Your nominee may only vote the common shares of Peoples that your nominee holds for you in accordance with your instructions. If you have instructed a broker, a financial institution or another nominee to vote your common shares, the options for revoking your proxy described below do not apply and instead you must follow the instructions provided by your nominee to change your vote.

If you hold your common shares in “street name” and wish to attend the Annual Meeting and vote in person, you must bring an account statement or letter from your broker, financial institution or other nominee authorizing you to vote on behalf of such nominee. The account statement or letter must show that you were the direct or indirect beneficial owner of the common shares on February 25, 2019, the record date for voting at the Annual Meeting.

## How do I vote if my common shares are held through the Peoples Bancorp Inc. Retirement Savings Plan?

If you participate in the Peoples Bancorp Inc. Retirement Savings Plan (the “Retirement Savings Plan”), you will be entitled to instruct the trustee of the Retirement Savings Plan how to vote common shares that have been allocated to your account. If you are such a participant, you will receive a Notice of Internet Availability that provides instructions for accessing our proxy materials on the Internet for the common shares allocated to your account in the Retirement Savings Plan. The Notice of Internet Availability also provides instructions on how you may request a paper or e-mail copy of our proxy materials. You may vote the common shares allocated to your account by following the instructions stated on your Notice of Internet Availability or proxy card if you requested a paper copy of our proxy materials. If

you do not provide voting instructions to the trustee of the Retirement Savings Plan by 11:59 p.m., Central Daylight Saving Time, on April 22, 2019, the trustee will not vote the common shares allocated to your account.

3

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### How will my common shares be voted?

Those common shares represented by a properly-executed proxy card that is received prior to the Annual Meeting or by properly-authenticated Internet or telephone voting instructions that are submitted prior to the deadline for doing so, and not subsequently revoked, will be voted in accordance with your instructions by your “proxies” (the individuals named on your proxy card or in the voting instructions). If you submit a valid proxy card prior to the Annual Meeting, or timely submit your voting instructions via the Internet or by telephone, but do not complete the proxy card or voting instructions, your proxy will vote your common shares as recommended by the Board, except in the case of broker non-votes, where applicable, as follows:

- “FOR” the election as Peoples directors of the nominees listed on pages 11 through 16 under “PROPOSAL NUMBER 1: ELECTION OF DIRECTORS”;
- “FOR” the non-binding advisory resolution to approve the compensation of Peoples’ named executive officers as disclosed in this Proxy Statement;
- “FOR” the ratification of the appointment of Ernst & Young LLP as Peoples’ independent registered public accounting firm for the fiscal year ending December 31, 2019.

No appraisal or dissenters’ rights exist for any action proposed to be taken at the Annual Meeting. If any other matters are properly presented for voting at the Annual Meeting, the individuals appointed as proxies will vote on those matters, to the extent permitted by applicable law, in accordance with their best judgment.

### How do I change or revoke my proxy?

Registered shareholders who submit proxies retain the right to revoke them at any time before they are exercised. Unless revoked, the common shares represented by such proxies will be voted at the Annual Meeting. If you are a registered shareholder, you may revoke your proxy at any time before it is actually exercised at the Annual Meeting by:

- filing a written notice of revocation with the Corporate Secretary of Peoples at 138 Putnam Street, P.O. Box 738, Marietta, Ohio 45750-0738, which must be received prior to the Annual Meeting;
- executing and returning a later-dated proxy card, which must be received prior to the Annual Meeting;
- accessing the designated Internet website prior to the deadline for transmitting voting instructions electronically;
- using the designated toll-free telephone number prior to the deadline for transmitting voting instructions telephonically; or
- attending the Annual Meeting and giving notice of revocation in person.

Attendance at the Annual Meeting will not, by itself, revoke your proxy. The last-dated proxy or voting instructions you submit (by any means) will supersede all previously-submitted proxies and voting instructions. If you hold your common shares in “street name” and instructed your broker, financial institution or other nominee to vote your common shares and you would like to revoke or change your vote, then you must follow the instructions received from your nominee to change your vote.

### If I vote in advance, can I still attend the Annual Meeting?

Yes. You are encouraged to vote promptly, by returning your signed proxy card (if you requested a paper copy of our proxy materials) by mail or by submitting your voting instructions via the Internet or by telephone, so that your common shares will be represented at the Annual Meeting. However, appointing a proxy or submitting voting instructions does not affect your right to attend the Annual Meeting and vote your common shares in person.

What constitutes a quorum and what is the vote required with respect to the proposals to be considered at the Annual Meeting?

Under Peoples' Code of Regulations, a quorum is a majority of the voting shares of Peoples then outstanding and entitled to vote at the Annual Meeting. Other than the common shares, there are no voting shares outstanding. Common shares may be present in person or represented by proxy at the Annual Meeting. Both abstentions and broker non-votes are counted as being present for purposes of determining the presence of a quorum. There were 19,681,659 common shares outstanding and entitled to vote on February 25, 2019, the record date for the Annual Meeting. A majority of the outstanding common shares, or 9,840,830 common shares, present in person or represented by proxy, will constitute a quorum. A quorum must exist to conduct business at the Annual Meeting.

If a proposal is routine, a broker holding common shares for a beneficial owner in street name may vote on the proposal without receiving instructions from the beneficial owner. If a proposal is non-routine, a broker may vote on the proposal only if the beneficial owner has provided voting instructions. A "broker non-vote" occurs when a broker holding common shares for a beneficial owner is unable to vote on a proposal because the proposal is non-routine and the beneficial owner has not provided any voting instructions.

The ratification of the appointment of Peoples' independent registered public accounting firm is the only routine proposal. Each of the other proposals is a non-routine proposal on which a broker may vote only if the beneficial owner has provided voting instructions.

The following table sets forth the votes required, and the impact of abstentions and broker non-votes, if any, on the three proposals:

Item	Vote Required	Impact of Abstentions and Broker Non-Votes, if any
Election of Directors	Under Ohio law and Peoples' Code of Regulations, the nine nominees for election as directors of Peoples receiving the greatest number of votes "FOR" their election will be elected as directors of Peoples.	Common shares as to which the authority to vote is withheld will be counted for quorum purposes but will not affect whether a nominee has received sufficient votes to be elected.  Broker non-votes will not count as a vote on the proposal and will not affect the outcome of the vote.
Approval of Non-Binding Advisory Resolution to Approve Compensation of Peoples' Named Executive	The affirmative vote of a majority of the common shares represented at the Annual Meeting, in person or by proxy, and entitled to vote on the proposal, is	Abstentions have the same effect as a vote "AGAINST" the proposal.

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Officers	required to approve the non-binding advisory resolution to approve the compensation of Peoples' named executive officers as disclosed in this Proxy Statement.	Broker non-votes will not be counted in determining whether the proposal has been approved.
Ratification of Appointment of Independent Registered Public Accounting Firm	The affirmative vote of a majority of the common shares represented at the Annual Meeting, in person or by proxy, and entitled to vote on the proposal, is required to ratify the appointment of Ernst & Young LLP as Peoples' independent registered public accounting firm for the fiscal year ending December 31, 2019.	Abstentions have the same effect as a vote "AGAINST" the proposal.

Peoples' policy is to maintain confidentiality with respect to proxy cards, ballots, voting instructions submitted electronically and telephonically and voting tabulations that identify individual shareholders. However, exceptions to

this policy may be necessary in some instances to comply with applicable legal requirements and, in the case of any contested proxy solicitation, to verify the validity of proxies presented by any person and the results of the voting. Inspectors of election and any employees associated with processing proxy cards or ballots, reviewing voting instructions submitted electronically and telephonically and tabulating the vote must acknowledge their responsibility to comply with this policy of confidentiality.

Who pays the costs of proxy solicitation?

Peoples will pay the costs of soliciting proxies on behalf of the Board, other than the Internet access or telephone usage fees, which may be charged to shareholders when voting electronically or by telephone. In addition to mailing the Notice of Internet Availability (or, if applicable, paper copies of the proxy materials) to registered shareholders as of the close of business on February 25, 2019, the brokerage firms, financial institutions and other nominees holding our common shares for beneficial owners of such common shares must provide a notice as to where the beneficial owners can access our proxy materials in order that such common shares may be voted. Solicitation may also be made by directors, officers and employees of Peoples and our subsidiaries by further mailings, telephone, electronic mail, facsimile, or personal contact. Directors, officers and employees who help us in the solicitation will not be specifically compensated for those services, but they may be reimbursed for their out-of-pocket expenses incurred in connection with the solicitation. Peoples will reimburse its transfer agent, as well as these brokers, financial institutions and other nominees, for their reasonable out-of-pocket expenses in forwarding the proxy materials to the beneficial shareholders.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of February 25, 2019 (except as otherwise noted), information concerning the beneficial ownership of common shares by the only persons known by Peoples to be the beneficial owners of more than 5% of Peoples' outstanding common shares:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Dimensional Fund Advisors LP		
Building One		
6300 Bee Cave Road		
Austin, TX 78746	1,594,969	(2) 8.10 %
BlackRock, Inc.		
55 East 52nd Street		
New York, NY 10055	1,409,961	(3) 7.16 %
Peoples Bank - Trustee	1,223,668	(4) 6.22 %

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138 Putnam Street

P.O. Box 738

Marietta, OH 45750-0738

- (1) The “Percent of Class” computation is based on 19,681,659 common shares outstanding and entitled to vote on February 25, 2019.
- (2) Based on information contained in a Schedule 13G/A, dated February 8, 2019 and filed with the SEC on the same date, on behalf of Dimensional Fund Advisors LP, a registered investment adviser, to report its beneficial ownership of common shares of Peoples as of December 31, 2018. The Schedule 13G/A reported that Dimensional Fund Advisors LP had sole voting power as to 1,528,965 common shares and sole investment power as to 1,594,969 common shares, all of which common shares were held in portfolios of four registered investment companies to which Dimensional Fund Advisors LP or one of its subsidiaries furnishes investment advice and of certain other commingled funds, group trusts and separate accounts for which Dimensional Fund Advisors LP or one of its subsidiaries serves as investment manager or sub-

6

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adviser. The common shares reported were owned by the investment companies, commingled funds, group trusts and separate accounts. Dimensional Fund Advisors LP disclaimed beneficial ownership of the reported common shares.

- (3) Based on information contained in a Schedule 13G/A, dated February 5, 2019 and filed with the SEC on February 6, 2019, on behalf of BlackRock, Inc., to report the beneficial ownership by its subsidiaries (BlackRock Advisors, LLC; BlackRock Investment Management (UK) Limited; BlackRock Asset Management Canada Limited; BlackRock (Netherlands) B.V.; BlackRock Fund Advisors; BlackRock Asset Management Ireland Limited; BlackRock Institutional Trust Company, National Association; BlackRock Financial Management, Inc.; BlackRock Asset Management Schweiz AG; and BlackRock Investment Management, LLC) of common shares of Peoples as of December 31, 2018. The Schedule 13G/A reported that BlackRock, Inc., through its subsidiaries, had sole voting power as to 1,354,306 common shares and sole investment power as to 1,409,961 common shares.
- (4) Includes Peoples Bank's beneficial ownership through its trust department, in the following manner: 83,760 common shares with sole voting power; 1,139,908 common shares with shared voting power; 14,045 common shares with sole investment power; and 1,209,623 common shares with shared investment power. The officers and directors of Peoples Bank and of Peoples disclaim beneficial ownership of the common shares beneficially owned by Peoples Bank through its trust department.

The table below sets forth, as of February 25, 2019, certain information with respect to the common shares beneficially owned by each current director of Peoples (each of whom is a nominee for re-election as a director of Peoples), by each individual named in the "SUMMARY COMPENSATION TABLE FOR 2018" on page 54 and by all current executive officers and directors of Peoples as a group. The table also sets forth additional share interests not reportable as beneficially owned.

Name of Beneficial Owner	Amount and Nature of		Beneficial Ownership (1)		Additional Share Interests (3)	Total Share Interests
	Presently Held	Percent of Class (2)	Common Shares			
Tara M. Abraham	6,791	(4) (5)			8,454	15,245
S. Craig Beam	20,668	(6) (5)			—	20,668
George W. Broughton	149,156	(7) (5)			1,852	151,008
David F. Dierker	6,400	(8) (5)			10,097	16,497
James S. Huggins	6,486	(9) (5)			6,604	13,090
Brooke W. James	180,176	(10) (5)			—	180,176
David L. Mead	13,682	(11) (5)			12,968	26,650
Susan D. Rector	15,513	(12) (5)			719	16,232
John C. Rogers (13)	16,450	(14) (5)			—	16,450
Carol A. Schneeberger (13)	58,639	(15) (5)			—	58,639
Robyn A. Stevens (13)	12,197	(16) (5)			—	12,197
Charles W. Sulerzyski (13)	68,923	(17) (5)			—	68,923
Douglas V. Wyatt (13)	13,832	(18) (5)			—	13,832
All current directors and executive officers as a group (numbering 13)	568,913	(19) 2.89%			40,694	609,607

- (1) Unless otherwise indicated in the footnotes to this table, the beneficial owner has sole voting and investment power with respect to all of the common shares reflected in the table. All fractional common shares have been rounded down to the nearest whole common share. The mailing address of each of the current executive officers and directors of Peoples is 138 Putnam Street, P.O. Box 738, Marietta, Ohio 45750-0738.

(2)

The “Percent of Class” computation is based on 19,681,659 common shares outstanding and entitled to vote on February 25, 2019.

(3) Represents common shares accrued to the bookkeeping accounts of directors participating in the Third Amended and Restated Deferred Compensation Plan for Directors of Peoples Bancorp Inc. and

7

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Subsidiaries (the “Deferred Compensation Plan for Directors”), as to which the directors have vested ownership interests but do not have voting or investment power with respect to such common shares, or the right to acquire such common shares within 60 days of February 25, 2019.

- (4) Includes 51 common shares held jointly by Tara M. Abraham and her husband, as to which Ms. Abraham exercises shared voting and investment power. Also includes 550 common shares held jointly in an investment account by Ms. Abraham and her husband, as to which Ms. Abraham exercises shared voting and investment power. Does not include 8,454 common shares accrued to Ms. Abraham’s bookkeeping account under the Deferred Compensation Plan for Directors, as to which Ms. Abraham has no voting or investment power.
- (5) Reflects beneficial ownership of less than 1% of the outstanding common shares.
- (6) Includes 6,391 common shares held in an investment account by S. Craig Beam, as to which Mr. Beam exercises sole voting and investment power. Also includes 8,709 common shares held jointly by Mr. Beam and his wife, as to which Mr. Beam exercises shared voting and investment power. Does not include 1,997 common shares held of record and beneficially owned by Mr. Beam’s wife, as to which Mr. Beam has no voting or investment power and disclaims beneficial ownership.
- (7) Includes 18,797 common shares held in an individual retirement account by Peoples Bank as custodian, as to which George W. Broughton exercises sole voting and investment power. Does not include 14,271 common shares held of record and beneficially owned by Mr. Broughton’s wife, as to which Mr. Broughton has no voting or investment power and disclaims beneficial ownership. Does not include 1,852 common shares accrued to Mr. Broughton’s bookkeeping account under the Deferred Compensation Plan for Directors, as to which Mr. Broughton has no voting or investment power.
- (8) Includes 5,000 common shares held in an investment account by David F. Dierker, as to which Mr. Dierker exercises sole voting and investment power. Does not include 10,097 common shares accrued to Mr. Dierker’s bookkeeping account under the Deferred Compensation Plan for Directors, as to which Mr. Dierker has no voting or investment power.
- (9) Includes 118 common shares held jointly by James S. Huggins and his wife, as to which Mr. Huggins exercises shared voting and investment power. Also includes 1,099 common shares held jointly in an investment account by Mr. Huggins and his wife, as to which Mr. Huggins exercises shared voting and investment power. Does not include 6,604 common shares accrued to Mr. Huggins’ bookkeeping account under the Deferred Compensation Plan for Directors, as to which Mr. Huggins has no voting or investment power.
- (10) Includes 8,866 common shares held by Brooke W. James as custodian, as to which Ms. James exercises sole voting and investment power.
- (11) Includes 3,500 common shares held in an investment account by David L. Mead, as to which Mr. Mead exercises sole voting and investment power. Does not include 12,968 common shares accrued to Mr. Mead’s bookkeeping account under the Deferred Compensation Plan for Directors, as to which Mr. Mead has no voting or investment power.
- (12) Includes 3,120 common shares held in an investment account by Susan D. Rector, as to which Ms. Rector exercises sole voting and investment power. Does not include 719 common shares accrued to Ms. Rector’s bookkeeping account under the Deferred Compensation Plan for Directors, as to which Ms. Rector has no voting or investment power.
- (13) Executive officer of Peoples during the 2018 fiscal year and named in the “SUMMARY COMPENSATION TABLE FOR 2018” on page 54.
- (14) Includes 2,009 common shares held in an investment account by John C. Rogers, as to which Mr. Rogers exercises sole voting and investment power. Also includes 439 common shares held by John C. Rogers in the Peoples Bancorp Inc. Employee Stock Purchase Plan (the “ESPP”), as to which Mr. Rogers exercises sole voting and investment power. Also includes (i) 1,700 unvested restricted common shares which were granted to Mr. Rogers on February 13, 2017 and will vest as described in footnote (3) to the table under

“OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (ii) 2,540 unvested restricted common shares which were granted to Mr. Rogers on February 2, 2018 and will vest as described in footnote (5) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” and (iii) 3,260 unvested restricted common shares which were granted to Mr. Rogers on February 2, 2019 and will vest as described in the section captioned “EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS – 2018 Executive Compensation Components – Cash and Equity-Based Incentive Program.” Mr. Rogers has voting power with respect to all of the reported restricted common shares and the right to receive dividends paid with respect to the underlying common shares at the same level as paid to other shareholders of Peoples; however, the dividends will be subject to the same restrictions on transfer as the restricted common shares with respect to which they were paid.

(15) Includes 8,937 common shares held jointly by Carol A. Schneeberger and her husband, as to which Ms.

Schneeberger exercises shared voting and investment power. Includes 18,844 common shares allocated to the account of Ms. Schneeberger in the Retirement Savings Plan, as to which Ms. Schneeberger has the power to direct the voting and investment. Includes 2,253 common shares held by Ms. Schneeberger in the ESPP. Also includes (i) 1,700 unvested restricted common shares which were granted to Ms. Schneeberger on February 13, 2017 and will vest as described in footnote (3) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (ii) 2,116 unvested restricted common shares which were granted to Ms. Schneeberger on February 2, 2018 and will vest as described in footnote (5) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” and (iii) 3,150 unvested restricted common shares which were granted to Ms. Schneeberger on February 2, 2019 and will vest as described in the section captioned “EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS – 2018 Executive Compensation Components – Cash and Equity-Based Incentive Program.” Ms. Schneeberger has voting power with respect to all of the reported restricted common shares and the right to receive dividends paid with respect to the underlying common shares at the same level as paid to other shareholders of Peoples; however, the dividends will be subject to the same restrictions on transfer as the restricted common shares with respect to which they were paid.

(16) Includes 518 common shares allocated to the account of Robyn A. Stevens in the Retirement Savings Plan, as to which Ms. Stevens has the power to direct the voting and investment. Also includes (i) 1,000 unvested restricted common shares which were granted to Ms. Stevens on February 2, 2016 and will vest as described in footnote (2) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (ii) 1,700 unvested restricted common shares which were granted to Ms. Stevens on February 13, 2017 and will vest as described in footnote (3) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (iii) 1,975 unvested restricted common shares which were granted to Ms. Stevens on February 2, 2018 and will vest as described in footnote (5) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” and (iv) 3,150 unvested restricted common shares which were granted to Ms. Stevens on February 2, 2019 and will vest as described in the section captioned “EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS – 2018 Executive Compensation Components – Cash and Equity-Based Incentive Program.” Ms. Stevens has voting power with respect to all of the reported restricted common shares and the right to receive dividends paid with respect to the underlying common shares at the same level as paid to other shareholders of Peoples; however, the dividends will be subject to the same restrictions on transfer as the restricted common shares with respect to which they were paid.

(17) Includes 38,239 common shares held in an investment account by Charles W. Sulerzyski, as to which Mr. Sulerzyski exercises sole voting and investment power. Includes 4,365 common shares held by Mr. Sulerzyski in the ESPP. Also includes (i) 6,107 unvested restricted common shares which were granted to Mr. Sulerzyski on February 13, 2017 and will vest as described in footnote (3) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (ii) 9,031 unvested restricted common shares which were granted to Mr. Sulerzyski on February 2, 2018 and will vest as described in footnote (5) the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” and (iii) 11,108 unvested restricted common shares which were granted to Mr. Sulerzyski on February 2, 2019 and will vest as described in the section captioned “EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS – 2018 Executive Compensation Components – Cash and Equity-Based Incentive Program.” Mr. Sulerzyski has voting power with respect to all of the reported restricted common shares and the right to receive dividends paid with respect to the underlying common shares at the same level as paid to other shareholders of Peoples; however, the dividends will be subject

to the same restrictions on transfer as the restricted common shares with respect to which they were paid.

9

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- (18) Includes (i) 7,500 unvested restricted common shares which were granted to Douglas V. Wyatt on June 1, 2016 and will vest as described in footnote (4) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (ii) 970 unvested restricted common shares which were granted to Mr. Wyatt on February 13, 2017 and will vest as described in footnote (3) to the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” (iii) 2,257 unvested restricted common shares which were granted to Mr. Wyatt on February 2, 2018 and will vest as described in footnote (5) the table under “OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018;” and (iv) 3,105 unvested restricted common shares which were granted to Mr. Wyatt on February 2, 2019 and will vest as described in the section captioned “EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS – 2018 Executive Compensation Components – Cash and Equity-Based Incentive Program.” Mr. Wyatt has voting power with respect to all of the reported restricted common shares and the right to receive dividends paid with respect to the underlying common shares at the same level as paid to other shareholders of Peoples; however, the dividends will be subject to the same restrictions on transfer as the restricted common shares with respect to which they were paid.
- (19) Includes common shares held jointly by current directors and executive officers with other persons, as well as an aggregate of 19,362 common shares allocated to the accounts of the current executive officers of Peoples in the Retirement Savings Plan. See notes (3), (5) through (11), and (13) through (17) above.

#### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires that Peoples’ directors and executive officers, and any persons beneficially holding more than 10 percent of Peoples’ outstanding common shares, file statements with the SEC reporting their initial beneficial ownership of common shares and any subsequent changes in their beneficial ownership. Peoples is required to disclose in this Proxy Statement any late statements, if any statements were not filed within the time periods mandated by the SEC. Based solely on Peoples’ review of (i) Section 16(a) statements filed on behalf of these persons for their transactions during Peoples’ 2018 fiscal year and (ii) written representations received from these persons that no other Section 16(a) statements were required to be filed by them for transactions during Peoples’ 2018 fiscal year, Peoples believes that all Section 16(a) filing requirements applicable to Peoples’ executive officers and directors, and persons holding more than 10 percent of Peoples’ outstanding common shares, were complied with.

#### TRANSACTIONS WITH RELATED PERSONS

During the 2018 fiscal year, Peoples Bank entered into banking transactions and lending relationships with certain executive officers and directors of Peoples, with members of their respective immediate families and with corporations or organizations as to which directors of Peoples serve as executive officers or beneficially own more than 10% of the equity securities. All such loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates charged and collateral required, as those prevailing at the time for comparable loans with persons not related to Peoples or Peoples Bank, and (iii) did not involve more than the normal risk of collectability or present other unfavorable features to Peoples or Peoples Bank.

The above loans were subject to Peoples Bank’s written policies, procedures and standard underwriting criteria applicable to loans generally, and were made in accordance with the Federal Reserve Board’s Regulation O (“Regulation O”) requiring loans to executive officers and directors of Peoples Bank in excess of \$500,000 to be approved by the full Board of Directors of Peoples Bank.

The Board has adopted the Peoples Bancorp Inc. Related Person Transaction Policy (the “Related Person Transaction Policy”), a copy of which is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). The purpose of the Related Person Transaction Policy is to set forth the guidelines and procedures under which certain related person transactions must be reviewed and approved or ratified by the Audit Committee.

A “related person transaction” is any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which: (1) Peoples or one of our subsidiaries was, is or will be a party or participant, or had, has or will have a direct or indirect interest; (2) the amount involved exceeds or is expected to exceed \$120,000, or if the limitations prescribed by Regulation O apply, such lesser amount, if any, as may be prescribed by Regulation O; and (3) a related person had, has or will have a direct or indirect interest. A “related

10

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person” is a person who is or was a director, an executive officer, or a nominee for election as a director at any time since the beginning of Peoples’ last fiscal year or a five percent shareholder of Peoples at the time of the occurrence or at any time during the existence of the transaction, and their respective immediate family members. Related person transactions deemed pre-approved or ratified, as appropriate, include: (1) any transaction where the related person’s interest arises solely from ownership of common shares if all shareholders receive the same benefit; (2) any transaction involving compensation to an executive officer if the executive officer is not an immediate family member of another executive officer or director of Peoples and the compensation has been approved by the Compensation Committee or the Board; (3) any transaction involving compensation to Peoples’ directors if the compensation is required to be reported pursuant to Item 402(k) of SEC Regulation S-K; (4) any extension of credit by Peoples Bank to an immediate family member of a related person, or extension of credit in respect of which an immediate family member of a related person has an interest, if the extension of credit is not subject to Regulation O and meets certain terms specified in the Related Person Transaction Policy; (5) any transaction where the related person’s interest derives solely from the related person’s position as a director of another corporation or organization that is a party to the transaction; and (6) any transaction where the related person’s interest derives solely from the related person’s direct or indirect ownership of less than 10% of the equity interest in another person (other than a partnership) which is a party to the transaction or ownership of a limited partner interest of less than 10% of the partnership and the related person is not a general partner and does not hold another position in the partnership, with the determination of whether the ownership threshold is exceeded made in accordance with the terms of the Related Person Transaction Policy.

Under the Related Person Transaction Policy, all related person transactions not otherwise pre-approved are referred to the Audit Committee for review and approval or disapproval. The Audit Committee may approve or ratify a related person transaction only if the Audit Committee determines that the related person transaction is in the best interest of Peoples. In making this determination, the Audit Committee will review and consider all information available to it, which it deems relevant, including:

- the related person’s interest in the transaction;
- the approximate dollar value of the amount involved in the transaction;
- the approximate dollar value of the amount of the related person’s interest in the transaction computed without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business of Peoples or the applicable subsidiary of Peoples;
- whether the transaction is on terms no less favorable to Peoples or the applicable subsidiary of Peoples than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to Peoples or the applicable subsidiary of Peoples of, the transaction;
- the impact of the transaction on the related person’s independence; and
- any other information regarding the transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

PROPOSAL NUMBER 1:

#### ELECTION OF DIRECTORS

At the 2018 Annual Meeting of Shareholders, upon the recommendation of the Board, Peoples’ shareholders approved an amendment to Section 2.02 of Peoples’ Code of Regulations in order to provide for the annual election of all directors commencing with the election of directors at the Annual Meeting.

On November 15, 2018, Terry T. Sweet notified Peoples of his decision to resign from the Board effective November 15, 2018.

On December 5, 2018, the Board fixed the number of directors of Peoples at nine to reflect the number of directors remaining on the Board following Mr. Sweet’s resignation. Mr. Sweet was in the class whose terms were to have expired at the 2021 Annual Meeting of Shareholders (the “2021 Annual Meeting”).



As of the date of this Proxy Statement, there were nine members of the Board: four directors in the class whose terms expire at the Annual Meeting; three directors in the class whose terms were to have expired at the 2020 Annual Meeting; and two directors in the class whose terms were to have expired at the 2021 Annual Meeting. In order to facilitate the transition from classified three-year terms to non-classified one-year terms, each director whose term would not otherwise expire at the Annual Meeting has agreed to tender his or her resignation effective immediately prior to the Annual Meeting. Accordingly, each of the nine members of the Board is standing for election at the Annual Meeting for a one-year term expiring at the 2020 Annual Meeting.

#### Majority Vote Standard

We have adopted provisions in our Corporate Governance Guidelines providing that, in an election where the only nominees are those recommended by the Board, any nominee for election as a director who receives a greater number of votes “against” his or her election than votes “for” his or her election (a “Majority Withheld Vote”) will promptly tender his or her resignation to the Chairman of the Board following certification of the shareholder vote. The Governance and Nominating Committee will promptly consider the tendered resignation and will recommend to the full Board whether to accept or reject the tendered resignation no later than 60 days following the date of the shareholders’ meeting at which the election occurred (the “Shareholder Meeting Date”). In considering whether to accept or reject the tendered resignation, the Governance and Nominating Committee will consider factors deemed relevant by the Governance and Nominating Committee members, including, without limitation, the director’s length of service, the director’s particular qualifications and contributions to Peoples, the reasons underlying the Majority Withheld Vote (if known) and whether these reasons can be cured, and compliance with stock exchange listing standards and our Corporate Governance Guidelines.

The Board will act on the Governance and Nominating Committee’s recommendation no later than 90 days following the Shareholder Meeting Date. In considering the Governance and Nominating Committee’s recommendation, the Board will consider the factors considered by the Governance and Nominating Committee and such additional information and factors the Board believes to be relevant. Following the Board’s decision on the Governance and Nominating Committee’s recommendation, Peoples will promptly publicly disclose the Board’s decision whether to accept the resignation as tendered (providing an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Current Report on Form 8-K filed with the SEC.

If one or more directors’ resignations are accepted by the Board, the Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to the Majority Withheld Vote provision will not participate in the Governance and Nominating Committee recommendation, or the Board consideration, regarding whether to accept or reject the tendered resignation. If a majority of the members of the Governance and Nominating Committee were to receive a Majority Withheld Vote at the same election, then the independent directors who are then members of the Board and did not receive a Majority Withheld Vote will automatically be appointed to a special Board committee solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject the tendered resignations.

#### Recommendation and Vote Required

The Board proposes that each of the nominees identified below be re-elected for a new one-year term and until the nominee’s successor is duly elected and qualified, or until the nominee’s earlier resignation, removal from office or death. The Governance and Nominating Committee recommended each nominee for re-election.

The nominees for election as directors receiving the greatest number of votes “FOR” election as a director of Peoples will be elected. Except in the case of broker non-votes, common shares represented by properly-executed and returned proxy cards, or by properly-authenticated Internet or telephone voting instructions, that are submitted prior to the

deadline for doing so, will be voted as specified or, if no instructions are given, "FOR" the election of the Board's nominees. Common shares as to which the authority to vote is withheld and broker non-votes will not be counted toward the election of directors, or toward the election of the individual nominees specified on the proxy card and in the voting instructions.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF ALL NOMINEES LISTED BELOW.

12

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## Nominees

The following table gives certain information, as of the date of this Proxy Statement, concerning each nominee for re-election as a director of Peoples. Unless otherwise indicated, each individual has had the same principal occupation for more than five years. Each individual also serves as a director of Peoples Bank.

Nominee	Age	Position(s) Held with Peoples and Principal Occupation(s)	Since	Director Continuously
Tara M. Abraham	52	Chairwoman and Co-CEO of Accel Inc., a contract packaging company. Co-owner of TaDa Holdings LLC, a holding company for eight businesses in the areas of real estate and business investment, product development and temporary staffing. Co-owner of Accel Business Solutions LLC, a company that sells and distributes technology. Co-owner of TMA Licensing LLC, a company that licenses retail products and consumer packaged goods. Co-owner of TMA Consulting LLC, a business consulting firm. All of these entities are based in New Albany, Ohio. Board Member of the Women's Business Enterprise National Council since 2007 and a former Board member of the National Women Business Council (2011-2014).	2012	
<p>Ms. Abraham brings to the Board the perspective of an accomplished entrepreneur, business investor and strategist, with an in-depth knowledge of the retail industry. Ms. Abraham is a successful business operator in a market served by Peoples. She is also a dedicated supporter and advocate of women-owned businesses. In 2018, she earned a CERT Certification in Cyber Security Oversight from Carnegie Mellon University.</p>				
S. Craig Beam	67	Co-Owner of Thorobeam Farm, LLC, a thoroughbred horse business headquartered in Sabina, Ohio, since 2006, and private investor since his retirement in 1999. He sold his sand, gravel and stone production business in 1999 after 28 years of ownership and operation. He was a member of the Board of Directors of NB&T Financial Group, Inc., a bank holding company headquartered in Wilmington, Ohio ("NB&T"), from 1990 until March 6, 2015, when NB&T merged into Peoples. During that time, he served on and chaired NB&T's Compensation Committee, and Nominating and Corporate Governance Committee. Mr. Beam was one of the two former NB&T directors selected by Peoples to join the Board as required by the merger agreement.	2015	

Mr. Beam brings to the Board many years of experience as a board member of a publicly-traded bank holding company and an in-depth knowledge of the southwest Ohio markets served by Peoples.

Director  
Continuously

Nominee	Age	Position(s) Held with Peoples and Principal Occupation(s)	Since
George W. Broughton	61	Owner and President of Broughton Commercial Properties, LLC, a commercial properties rental company and coffee service distributor. Chairman of Broughton Foundation, a nonprofit charitable foundation, and Broughton Park, a park facility owned by the Broughton Foundation and made available to the public. President and Controller of George Broughton Family LP, an asset management company. Owner and President of GWB Oil & Gas LLC, an independent oil and gas producing company. All of these entities are based in Marietta, Ohio. Director of Peoples Bank Foundation, Inc. since December 2003. Mr. Broughton has served as Vice Chairman of the Boards of Peoples and Peoples Bank since July 2013.	1994

Mr. Broughton brings substantial experience in various small business ventures representing a number of different industries to the Board. His extensive experience and proven general business and leadership skills are valuable to the Board and enhance its overall capabilities. Mr. Broughton's service as a director of Peoples since 1994 allows him to provide valuable perspective to the Board about issues affecting local and regional businesses in Peoples' market area.

David F. Dierker	61	Retired banking executive with SunTrust Banks, Inc., a financial services company headquartered in Atlanta, Georgia. Mr. Dierker held various senior level positions with SunTrust Banks, Inc. from 1996 until his retirement in 2013, including serving as Chief Administrative Officer from 2006 to 2013.	2014
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Mr. Dierker brings to the Board more than 36 years of experience working with financial institutions, including roles in finance and administration. In his role as Chief Administrative Officer of SunTrust Banks, Inc., he directed a variety of corporate functions, such as human resources, internal audit, business strategy, supplier management, corporate real estate, regulatory reform and corporate communications. His extensive industry experience and financial expertise make him a valuable asset to the Board and, in particular, the Audit Committee and the Risk Committee.

James S. Huggins	62	Attorney-At-Law, Of Counsel, Theisen Brock, a Legal Professional Association, a law firm located in Marietta, Ohio ("Theisen Brock") where he has practice law since 1981. The status of Mr. Huggins with Theisen Brock changed from "partner" to "of counsel" on January 1, 2017, at which time he no longer owned a partnership interest in the firm. Director of Peoples Bank Foundation, Inc. since June 2016.	2012
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Mr. Huggins has over 35 years of experience as a practicing attorney in the areas of commercial law, creditor's rights, and oil and gas law. In addition to his expertise in these areas, he brings to the Board a wealth of knowledge of the Marietta, Ohio and Parkersburg, West Virginia market areas, having lived and worked in Marietta, Ohio since 1981.

Director  
Continuously

Nominee	Age	Position(s) Held with Peoples and Principal Occupation(s)	Since
Brooke W. James	46	Partner and co-business administrator for WMSALL Farms, her family's farming operation in Wilmington, Ohio, since 1999. School teacher at the Columbus School for Girls in Columbus, Ohio, from 2001 to 2005. She was a member of the Board of Directors of NB&T from 2005 until March 6, 2015, when NB&T merged into Peoples. During that time, she served on NB&T's Audit Committee. Ms. James was one of the two former NB&T directors selected by Peoples to join the Board as required by the merger agreement.	2015

Ms. James brings to the Board many years of experience as a board member of a publicly-traded bank holding company and knowledge of the southwest Ohio markets served by Peoples. She also provides the Board with insight into the expectations of Peoples' shareholders.

David L. Mead	63	Associate Professor on the business faculty of Marietta College, located in Marietta, Ohio, from August 2011 through the end of the 2015-2016 academic year. Formerly interim President and Chief Executive Officer of Peoples from August 2010 until April 2011, interim President and Chief Executive Officer of Peoples Bank from August 2010 until April 2011, and interim President of Peoples Insurance Agency, LLC from December 2010 until April 2011. Prior to his service with Peoples and our subsidiaries, Mr. Mead served as Vice President for Business Affairs at Otterbein University, located in Westerville, Ohio, from September 2006 until June 2010; Associate Professor of Finance at Marietta College from August 2004 to September 2006; Chief Financial Officer and Treasurer of First Place Financial Corp., headquartered in Warren, Ohio, from December 2002 to June 2004; and Treasurer of First Place Bank, headquartered in Warren, Ohio, from May 2002 to December 2002. Mr. Mead has served as Chairman of the Board of Peoples and Peoples Bank since May 2016. Mr. Mead has been a Certified Public Accountant since 1978.	2006
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Mr. Mead's previous role as interim President and Chief Executive Officer of Peoples has provided him with intimate knowledge of the Peoples organization and its operations. Mr. Mead's 26 years of banking experience and his previous executive positions with bank holding companies provide significant value to the collective knowledge of our organization and the Board. His extensive experience, professional certification as a Certified Public Accountant, financial expertise and background are also assets to the Board. In addition, Mr. Mead's service as a director of Peoples Bank since 2005 and of Peoples since 2006 has provided valuable perspective to the Board in the areas of financial oversight, audit, accounting, and general financial knowledge relevant to the financial services industry.

		Director Continuously
Nominee	Age	Position(s) Held with Peoples and Principal Occupation(s)
Susan D. Rector	60	Attorney-At-Law, Partner in the law firm of Peterson Connors LLP in Columbus, Ohio since April 2017. Partner in the law firm of Ice Miller LLP (formerly Schottenstein, Zox & Dunn Co., LPA) in Columbus, Ohio from 1987 until April 2017.
		Since 2011

Ms. Rector brings to the Board valuable experience as an attorney, practicing primarily in the areas of intellectual property law, information technology law and business transactions, including business formation, restructurings, and mergers and acquisitions. Her extensive experience in assisting both start-up and established businesses with complex technology, information technology and e-commerce issues provide significant value to the Board as the Internet and mobile operations of Peoples Bank continue to grow. Her practice with regulated entities provides experience with compliance issues and governmental oversight. She also has over 25 years of experience serving on nonprofit boards where she has focused on trustee nominations, board governance and oversight.

Charles W. 61 President and Chief Executive Officer of Peoples and Peoples Bank since April 2011. 2011  
Sulerzyski Member of the Board of Managers of Peoples Insurance Agency, LLC since 2011, serving as President from April 2011 to April 2012, and from June 2015 until October 2015. Formerly Regional President of the Great Lakes Region for KeyBank, N.A., a national bank located in Cleveland, Ohio, from 2005 to 2010; Managing Director at Marsh & McLennan, Inc., a company located in New York, New York, which provides risk and insurance services and solutions, from 2000 to 2005; and Executive Vice President, Community Banking Group, at The Provident Bank, Cincinnati, Ohio, from 1996 to 2000. Director of Peoples Bank Foundation, Inc. since May 2011.

Mr. Sulerzyski's role as President and Chief Executive Officer of Peoples and Peoples Bank provides him with intimate knowledge of the organization and its operations through his day-to-day management responsibilities. In addition, Mr. Sulerzyski's service as a director allows him to share this valuable day-to-day perspective with the full Board. Mr. Sulerzyski's many years of experience as a financial services executive also allow him to bring extensive industry knowledge in banking, insurance and investment organizations to the Board.

While it is contemplated that all nominees will stand for re-election at the Annual Meeting, if one or more nominees at the time of the Annual Meeting should be unable to serve or for good cause will not serve as a candidate for re-election as a director, the individuals designated as proxies on the proxy card or in the voting instructions will have full discretion to vote the common shares represented by the proxies they hold for the re-election of the remaining nominees and for the election of any substitute nominee or nominees designated by the Board following recommendation by the Governance and Nominating Committee. The Board knows of no reason why any of the nominees named above would be unavailable or unable to serve if re-elected to the Board.

There are no family relationships among any of the directors, nominees for election as a director and executive officers of Peoples.

None of the directors of Peoples is or has been involved in legal proceedings required to be reported or disclosed in this Proxy Statement.

## EXECUTIVE OFFICERS

The following individuals serve as the executive officers of Peoples as of the date of this Proxy Statement. Each executive officer is elected annually and serves at the pleasure of the Board. The age of each executive officer as of the date of this Proxy Statement, the positions presently held by each executive officer with Peoples and our principal subsidiaries, and each executive officer's individual business experience are set forth below.

Name	Age	Position
Charles W. Sulerzyski	61	President and Chief Executive Officer
John C. Rogers	58	Executive Vice President, Chief Financial Officer and Treasurer
Douglas V. Wyatt	57	Executive Vice President, Chief Commercial Banking Officer
Carol A. Schneeberger	62	Executive Vice President, Chief Administrative Officer
Robyn A. Stevens	50	Executive Vice President, Chief Credit Officer

Mr. Sulerzyski serves as President and Chief Executive Officer of both Peoples and Peoples Bank, positions he has held since April 2011. Mr. Sulerzyski serves as a member of the boards of directors of Peoples and Peoples Bank, and as a member of the Board of Managers of Peoples Insurance Agency, LLC. From April 2011 to April 2012, and from June 2015 to October 2015, he served as President of Peoples Insurance Agency, LLC. Prior to joining Peoples, he served as Regional President of the Great Lakes Region for KeyBank, N.A., a national bank located in Cleveland, Ohio, from 2005 to 2010. From 2000 to 2005, Mr. Sulerzyski was a Managing Director at Marsh & McLennan, Inc., a company located in New York, New York, which provides risk and insurance services and solutions; and from 1996 to 2000, he served as Executive Vice President, Community Banking Group, at The Provident Bank, in Cincinnati, Ohio.

Mr. Rogers serves as Executive Vice President, Chief Financial Officer and Treasurer of Peoples and Peoples Bank, positions he has held since November 2015. Prior to joining Peoples, Mr. Rogers worked for PNC Financial Services Group, Inc. ("PNC") in Pittsburgh, Pennsylvania, from 2001 to October 2015. Mr. Rogers served at PNC as Risk Executive from 2011 to 2015, Executive Vice President and Chief Financial Officer, Retail Business Banking from 2003 to 2011, and Vice President and Chief Financial Officer, Consumer Lending from 2001 to 2003. Mr. Rogers worked as a Senior Manager for Ernst & Young LLP in Pittsburgh, Pennsylvania, from 1998 to 2001, and as Regional Line of Business Audit Director for PNC in Pittsburgh, Pennsylvania, from 1991 to 1998. He worked as an Audit Manager for Price Waterhouse LLP in Buffalo, New York, from 1982 to 1991.

Mr. Wyatt serves as Executive Vice President, Chief Commercial Banking Officer of both Peoples and Peoples Bank, positions he has held since April 2017. From April 2016 until April 2017, Mr. Wyatt served as Executive Vice President, Commercial Banking of Peoples Bank, where he led Peoples Bank's commercial line of business efforts in the central and southeastern portions of Ohio, as well as in West Virginia and Kentucky. Prior to joining Peoples, Mr. Wyatt worked for Fifth Third Bank in Cincinnati, Ohio from 2005 to April 2016. Mr. Wyatt served at Fifth Third Bank as Executive Vice President, Senior Commercial Banker, from 2006 to 2016, and as Vice President, Commercial Banking Division, from 2005 to 2006. Prior to 2006, Mr. Wyatt worked for 16 years for U.S. Bank, National Association, in Cincinnati, Ohio.

Ms. Stevens serves as Executive Vice President, Chief Credit Officer of both Peoples and Peoples Bank, positions she has held since June 2016. From January 2012 until June 2016, she served as Senior Vice President, Credit Administration of Peoples Bank. Ms. Stevens managed Peoples Bank's loan and appraisal review functions from 1997 to 2011. Prior to 1997, Ms. Stevens worked for five years with Bank One in Marietta, Ohio.

Ms. Schneeberger, a Certified Public Accountant, serves as Executive Vice President, Chief Administrative Officer of Peoples and Executive Vice President, Chief Administrative Officer and Cashier of Peoples Bank, positions she has held since July 2011. From April 1999 to July 2011, she served as Executive Vice President, Operations of Peoples,

and from February 2000 to July 2011, she served as Executive Vice President, Operations and Cashier of Peoples Bank. From April 2007 to May 2008, Ms. Schneeberger served as interim Chief Financial Officer and Treasurer of both Peoples and Peoples Bank. From October 1988 to April 1999, Ms. Schneeberger was Vice President of Operations of Peoples. Prior thereto, she was Auditor of Peoples from August 1987 to October 1988 and Auditor of Peoples Bank from January 1986 to October 1988. Ms. Schneeberger joined Peoples Bank in 1977.

None of the executive officers of Peoples is or has been involved in legal proceedings required to be reported or disclosed in this Proxy Statement.

## THE BOARD AND COMMITTEES OF THE BOARD

The Board has adopted the Peoples Bancorp Inc. Corporate Governance Guidelines, a copy of which is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). The Board has also adopted the Code of Ethics for Directors, Officers and Employees of Peoples Bancorp Inc. and its Subsidiaries, a copy of which is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com).

### Independence of Directors

The rules (the “Nasdaq Rules”) of The Nasdaq Stock Market (“Nasdaq”) require that a majority of the members of the Board be independent directors. The definition of an independent director for purposes of the Nasdaq Rules includes a series of objective criteria, which the Board has used in determining whether its members are independent.

Peoples is led by Charles W. Sulerzyski, who serves as President and Chief Executive Officer and as a director, and David L. Mead, an independent director who serves as non-executive Chairman of the Board, a position he has held since May 2016. George W. Broughton, an independent director, serves as non-executive Vice Chairman of the Board, a position he has held since July 2013. The Board is comprised of Mr. Sulerzyski and eight non-management directors, seven of whom are independent. Peoples believes that the independent directors provide objective oversight of management performance as a key component of efficient corporate governance and overall risk management. The Board has determined that the most effective leadership structure for Peoples is for a different person to serve as each of the Chief Executive Officer and the Chairman of the Board, coupled with independent chairs of each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The Board regularly deliberates and discusses what it believes is the appropriate leadership structure based upon the needs of Peoples in order to provide effective oversight of management.

In addition to considering the objective criteria, as required by the Nasdaq Rules, the Board has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of the Board, would interfere with such individual’s exercise of independent judgment in carrying out the responsibilities of a director. In making these independence determinations, the Board has reviewed, considered and discussed each director’s business and personal relationships, both direct and indirect, if any, with Peoples and our subsidiaries, and the compensation and other payments each director and such director’s immediate family members have, both directly and indirectly, received from or made to Peoples and our subsidiaries and presently expect to receive from or make to Peoples and our subsidiaries. Based on that review, consideration and discussion, the Board has determined that at least a majority of its members qualify as independent directors.

The Board has further determined that each of the following directors has no financial or personal ties, either directly or indirectly, with Peoples or our subsidiaries (other than compensation received in the individual’s capacity as a director of Peoples and our subsidiaries, non-preferential banking relationships in the ordinary course of business with Peoples Bank, ownership of common shares of Peoples as described in this Proxy Statement and, in the case of Mr. Mead, service for a period of approximately nine months as interim President and Chief Executive Officer of Peoples and Peoples Bank) and thus qualifies as independent: Tara M. Abraham; S. Craig Beam; George W. Broughton; David F. Dierker; Brooke W. James; David L. Mead; and Susan D. Rector.

The Board also determined that during his service in 2018 through his resignation date of November 15, 2018, Terry T. Sweet qualified as an independent director because he had no financial or personal ties, either directly or indirectly, with Peoples or our subsidiaries (other than compensation received in the capacity as a director of Peoples and our subsidiaries, non-preferential banking relationships in the ordinary course of business with Peoples Bank and ownership of common share of Peoples).

The Board has determined that, due to his status as a former partner in the law firm of Theisen Brock, having been a partner in the firm until January 1, 2017, James S. Huggins does not qualify as an independent director under the applicable Nasdaq Rules. The amount and variety of work Theisen Brock performed and continues to perform for Peoples, and Mr. Huggins' former role as a partner with Theisen Brock, were recognized and considered by the Board in its evaluation of Mr. Huggins' qualifications as a director.

Charles W. Sulerzyski does not qualify as an independent director, because he serves as an executive officer of Peoples and Peoples Bank.

## Executive Sessions

In accordance with applicable Nasdaq Rules, the independent directors were given the opportunity to meet in executive session during each meeting of the Board and at such other times as the independent directors deemed necessary. Each executive session is presided over by the Chairman of the Board.

## Meetings of the Board and Attendance at Annual Meetings of Shareholders

The Board held 12 meetings during the 2018 fiscal year. Each incumbent director attended 97% or more of the aggregate of the total number of meetings held by the Board and the total number of meetings held by all committees of the Board on which he or she served, in each case during his or her period of service.

Peoples encourages all director nominees to attend each annual meeting of shareholders. All of the incumbent directors attended Peoples' last annual meeting of shareholders held on April 26, 2018.

## Committees of the Board

The Board has five standing committees: Audit, Compensation, Executive, Governance and Nominating, and Risk. Each of the standing committees, with the exception of the Risk Committee, is chaired by a separate independent director. The Risk Committee is chaired by director James S. Huggins. The Audit Committee and the Risk Committee are charged with the majority of the risk oversight responsibilities of the Board. The Compensation Committee evaluates, with Peoples' senior risk officer, all risks posed by Peoples' executive compensation programs and makes all reasonable efforts required to limit any unnecessary risks these programs may pose to Peoples and to ensure that the programs do not encourage participants to take unnecessary or excessive risks that threaten the value of Peoples. These evaluations are conducted in accordance with guidance from applicable federal regulators. The Audit Committee, the Compensation Committee and the Risk Committee are focused on maintaining our key risks within acceptable tolerances and work in concert to provide enterprise-wide oversight. Each committee's role and its interaction with the full Board regarding the committee's oversight responsibilities are described more fully below. Through these committees and effective working relationships with management, the Board is able to effectively monitor and maintain an active role in the oversight of the key aspects of the risks to which Peoples is exposed. Peoples believes that this risk oversight structure, coupled with Peoples' leadership structure of having an independent director serve as Chairman of the Board, maximizes the independence and objectivity of the Board in carrying out its functions.

## Audit Committee

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act and conducts its business pursuant to a written charter adopted by the Board. A copy of the current charter of the Audit Committee is posted under the "Corporate Overview – Governance Documents" tab on the "Investor Relations" page of Peoples' website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). At least annually, the Audit Committee reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. Among other duties set forth in its charter, the Audit Committee is responsible for:

- overseeing the accounting and financial reporting processes of Peoples;
- overseeing the audits of the consolidated financial statements of Peoples;
- appointing, terminating, compensating and overseeing the work of Peoples' independent registered public accounting firm, including resolving any disagreements between Peoples' management and Peoples' independent registered public accounting firm regarding financial reporting;
- pre-approving all audit and non-audit services provided by Peoples' independent registered public accounting firm;
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discussing with Peoples' independent registered public accounting firm the matters required to be communicated to the Audit Committee under applicable auditing standards and reviewing all relationships between Peoples' independent registered public accounting firm and Peoples and our subsidiaries;

19

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- discussing with management, the auditors performing Peoples' internal audit function (the "Internal Auditors") and Peoples' independent registered public accounting firm the adequacy and effectiveness of Peoples' internal control over financial reporting and related accounting and financial controls;
- reviewing with the Internal Auditors and Peoples' independent registered accounting firm annually, before each audit begins, the overall scope and plans for their respective audits, including the adequacy of staffing and compensation;
- appointing, terminating, compensating, and overseeing the Internal Auditors, including approving the scope of the internal audit, and overseeing the operation and performance of the Internal Auditors;
- naming, defining the overall roles and responsibilities of and assessing the effectiveness of, an individual within management to act as a liaison between the Internal Auditors, the Board and management;
- reviewing all transactions with related persons required to be reported to the Audit Committee under the Related Person Transaction Policy for potential conflict of interest situations, and approving or ratifying such transactions as appropriate;
- reviewing Peoples' earnings press releases, earnings conference call scripts, and financial statements and related disclosures in Peoples' periodic reports, and any other public disclosures containing material non-public financial information;
- setting hiring policies for employees or former employees of Peoples' independent registered public accounting firm;
- establishing and reviewing the procedures for the receipt, retention and treatment of complaints received by Peoples regarding accounting, internal controls or auditing matters;
- reviewing with the Internal Auditors and Peoples' counsel, legal and regulatory matters that may have a material impact on Peoples' consolidated financial statements, related compliance policies of Peoples and compliance with Peoples' Code of Ethics and programs and reports received from regulatory agencies;
- assisting the Board in the oversight of the performance of Peoples' independent registered public accounting firm, and the independent registered public accounting firm's qualifications and independence;
- preparing the report of the Audit Committee required to be included in Peoples' annual Proxy Statement;
- performing the duties required by applicable laws and regulations to be performed by the audit committee for Peoples Bank, in its capacity as an Ohio state-chartered bank;
- performing the duties required by applicable laws and regulations to be performed by the fiduciary audit committee for Peoples Bank, in its capacity as a bank exercising fiduciary powers; and
- other duties and responsibilities as may be delegated to the Audit Committee by the Board.

The Audit Committee held 12 meetings during the 2018 fiscal year. The "AUDIT COMMITTEE REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018" appears beginning on page 73.

The Audit Committee is currently comprised of three directors: David F. Dierker (Chair); Brooke W. James; and David L. Mead. Each of these directors served as a member of the Audit Committee throughout the entire 2018 fiscal year. Former director Terry T. Sweet served as a member of the Audit Committee in 2018 through his resignation date of November 15, 2018. The Board has determined that each of the current members of the Audit Committee qualifies, and that during his period of service in the 2018 fiscal year Mr. Sweet qualified, as an independent director for purposes of Rule 10A-3 under the Exchange Act and under the applicable Nasdaq Rules.

The Board has concluded that each member of the Audit Committee is able to read and understand fundamental financial statements, including Peoples' balance sheet, income statement and cash flow statement. Based upon their respective backgrounds, knowledge, qualifications, experience and professions, the Board has determined that David F. Dierker and David L. Mead qualify as "audit committee financial experts" under the SEC's rules, and as "financially sophisticated" for purposes of the applicable Nasdaq Rules.

#### Compensation Committee

The Compensation Committee is currently comprised of four directors: S. Craig Beam; George W. Broughton, David L. Mead and Susan D. Rector (Chair). Each of these directors with the exception of Mr. Mead served as a member of the Compensation Committee throughout the entire 2018 fiscal year. Mr. Mead was appointed as a member of the Compensation Committee on April 26, 2018. Former director Terry T. Sweet served as a member of the Compensation Committee in 2018 through his resignation date of November 15, 2018. The Board has determined that each of the current members of the Compensation Committee qualifies, and that during his period of service in the 2018 fiscal year Mr. Sweet qualified, as (i) an "independent director" under the applicable Nasdaq Rules, including those specifically applicable to members of a compensation committee, and (ii) a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee is organized and conducts its business pursuant to a written charter adopted by the Board. A copy of the current charter of the Compensation Committee is posted under the "Corporate Overview – Governance Documents" tab on the "Investor Relations" page of Peoples' website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). At least annually, the Compensation Committee reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board for approval as necessary.

The primary function of the Compensation Committee is to review and approve, on behalf of the Board, management recommendations regarding all forms of compensation to be provided to the executive officers and other designated employees of Peoples and our subsidiaries, including incentive-based compensation, equity-based compensation, bonus compensation, perquisites, employee benefits and salary programs. In carrying out this function, the Compensation Committee is responsible for reviewing and approving individual goals and objectives, and recommending to the Board corporate goals and objectives relevant to the compensation of Peoples' executive officers and other employees designated by the Board, evaluating such individuals' performance in light of those goals and objectives, and determining compensation based on that evaluation.

The Compensation Committee administers Peoples' Third Amended and Restated 2006 Equity Plan (the "2006 Plan"), the ESPP and Peoples' incentive programs, and approves grants of awards under the 2006 Plan and the incentive programs in compliance with applicable securities and tax laws. The Compensation Committee also undertakes such other responsibilities as the full Board may from time to time prescribe.

The Compensation Committee held seven meetings during the 2018 fiscal year. Its Chair determines the agenda for the meetings with the assistance of Peoples' Chief Administrative Officer. The Director of Human Resources serves as Secretary to the Compensation Committee. The Compensation Committee reviewed management's recommendations on, and approved, all forms of compensation provided to the executive officers. The Compensation Committee also reviewed recommendations regarding all forms of compensation for directors of Peoples and our subsidiaries and made recommendations to the Board for its consideration. Additionally, the Compensation Committee reviewed and approved all equity-based compensation and cash incentives under Peoples' incentive programs, as well as perquisites, employee benefits, salary programs, and human resources policies and procedures for employees of Peoples and our subsidiaries. The Compensation Committee also reviewed and approved the goals and objectives for the 2018 fiscal year relevant to the compensation of Peoples' executive officers, and recommended the 2018 fiscal year corporate performance goals to the Board, which were subsequently approved by the Board. The Compensation Committee evaluated the executive officers' performance in light of those goals and objectives for the 2018 fiscal year and determined the compensation earned by each executive officer based on that evaluation. At least annually, the

Compensation Committee reviews and discusses Peoples' management succession and development activities. The Compensation Committee also provides recommendations to the full Board on compensation-related proposals to be considered at Peoples' annual meetings of shareholders and reviews and considers with Peoples' management the results of votes on those proposals. The Compensation Committee also reviews and approves the plan design and structure of insurance benefits for officers, directors and employees of Peoples and our subsidiaries.

The Compensation Committee has the authority to retain one or more compensation consultants or advisors to assist in the evaluation of director and executive officer compensation. The Compensation Committee has sole authority to retain and terminate any such compensation consultant or advisor, including sole authority to approve the fees and other retention terms of any consultant or advisor. The Compensation Committee engaged Pay Governance, LLC (“Pay Governance”) as the Compensation Committee’s compensation and benefits consultant. The Compensation Committee has direct access to its compensation and benefits consultant and may engage the consultant on an as needed basis for advice with respect to the amount and form of executive and director compensation. Pay Governance does not provide services to Peoples or its subsidiaries other than those provided to or at the request of the Compensation Committee. Please see the discussion of the consulting services provided to the Compensation Committee by Pay Governance in the section captioned “EXECUTIVE COMPENSATION: COMPENSATION DISCUSSION AND ANALYSIS - Setting Executive Compensation” beginning on page 28 of this Proxy Statement.

The Compensation Committee determined that the work of Pay Governance during the 2018 fiscal year did not raise any actual conflict of interest. Additionally, the Compensation Committee determined that Pay Governance was independent of management after considering several factors, including (1) whether Pay Governance provided any other services to Peoples; (2) the amount of fees received from Peoples by Pay Governance as a percentage of the firm’s total revenue; (3) Pay Governance’s policies and procedures that are designed to prevent conflicts of interest; (4) any business or personal relationship of the individual compensation consultants providing services to Peoples with a member of the Compensation Committee; (5) the number of Peoples common shares owned by the individual compensation consultants providing services to Peoples; and (6) any business or personal relationships between the executive officers of Peoples and Pay Governance or the individual compensation consultants providing services to Peoples.

The “EXECUTIVE COMPENSATION: COMPENSATION DISCUSSION AND ANALYSIS” regarding executive compensation for the 2018 fiscal year appears beginning on page 28, and the “COMPENSATION COMMITTEE REPORT” for the 2018 fiscal year appears beginning on page 52 of this Proxy Statement.

#### Executive Committee

The Executive Committee is currently comprised of seven directors: George W. Broughton; David F. Dierker; James S. Huggins; Brooke W. James; David L. Mead (Chair); Susan D. Rector; and Charles W. Sulerzyski. Each of these directors with the exception of Ms. James served as a member of the Executive Committee throughout the entire 2018 fiscal year. Ms. James was appointed as a member of the Executive Committee on April 26, 2018. The Executive Committee is organized and conducts its business pursuant to a written charter adopted by the Board. A copy of the current charter of the Executive Committee is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). The Executive Committee did not meet during the 2018 fiscal year.

The responsibilities of the Executive Committee include exercising, during the intervals between the meetings of the Board, all the powers of the Board in the management of the business, properties and affairs of Peoples, including authority to take all action provided in Peoples’ Code of Regulations to be taken by the Board, not delegated to another Board committee; provided, however, that the foregoing is subject to the applicable provisions of law and the limitations contained in the Executive Committee’s charter.

#### Governance and Nominating Committee

The Governance and Nominating Committee is currently comprised of five directors: Tara M. Abraham; George W. Broughton; David F. Dierker; Brooke W. James (Chair) and Susan D. Rector. Each of these directors served as members of the Governance and Nominating Committee throughout the entire 2018 fiscal year. The Board has determined that each of the current members of the Governance and Nominating Committee qualifies as an independent director under applicable Nasdaq Rules.

The Governance and Nominating Committee is organized and conducts its business pursuant to a written charter adopted by the Board, a copy of which is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). At least annually, the Governance and Nominating Committee reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board for approval as necessary. The Governance and Nominating Committee held six meetings during the 2018 fiscal year.

The Governance and Nominating Committee is primarily responsible for:

establishing and articulating qualifications, desired background and selection criteria for members of the Board consistent with any eligibility requirements set forth in Peoples' Code of Regulations, considering such factors as the Governance and Nominating Committee deems appropriate;

- identifying and evaluating Board candidates and periodically reviewing the procedures used by the Governance and Nominating Committee in such identification and evaluation processes;

screening and making recommendations to the full Board of qualified candidates for election, nomination or appointment to the Board, including nominees for re-election as directors and candidates to fill vacancies;

evaluating and recommending to the Board determinations of Board member independence and of financial expertise and financial sophistication with respect to Audit Committee members;

recommending assignments to committees of the Board and chairs of Board committees for consideration by the Board;

- reviewing with the Chairman of the Board, or another director designated by the Board, issues involving potential conflicts of interest and/or any change of principal occupation of directors pursuant to applicable law and the applicable provisions of Peoples' Code of Ethics, Peoples' Code of Regulations or Peoples' Corporate Governance Guidelines;

periodically administering and reviewing with the Chairman of the Board, or another director designated by the Board, an evaluation of the processes and performance of the Board and the Board's committees, and reporting such review to the Board;

recommending to the full Board for its consideration the number of members to serve on the Board;

periodically reviewing Peoples' Code of Ethics and the Related Person Transaction Policy and recommending changes, as deemed necessary or appropriate by the Governance and Nominating Committee, to the Board for approval;

- reviewing and reporting to the Board on board education opportunities and additional corporate governance matters as necessary or as directed by the Chairman of the Board or the Board as a whole;

overseeing the orientation and education of new and continuing members of the Board

developing and recommending to the Board a set of Corporate Governance Guidelines applicable to Peoples and periodically reviewing the same; and

reviewing the appropriateness of continued Board service by a Board member who changes his or her principal occupation from that held when elected to the Board and volunteers to resign from the Board for such reason.

Risk Committee

The Risk Committee is currently comprised of eight directors: Tara M. Abraham; S. Craig Beam; George W. Broughton; David F. Dierker; James S. Huggins (Chair); Brooke W. James; David L. Mead; and Susan D. Rector. Each of these directors served as members of the Risk Committee throughout the entire 2018 fiscal year. Former director Terry T. Sweet served as a member of the Risk Committee in 2018 through his resignation date of November 15, 2018. The Board has determined that each of the current members of the Risk Committee, except Mr. Huggins, qualifies, and that during his period of service in the 2018 fiscal year, Mr. Sweet qualified, as an independent director under applicable Nasdaq Rules.

The Risk Committee is organized and conducts its business pursuant to a written charter adopted by the Board, which is posted under the “Corporate Overview – Governance Documents” tab on the “Investor Relations” page of Peoples’ website at [www.peoplesbancorp.com](http://www.peoplesbancorp.com). The primary responsibilities of the Risk Committee are:

- reviewing and annually approving Peoples’ enterprise risk management framework and policy;
- reviewing and recommending that the full Board approve Peoples’ risk appetite, risk tolerances, risk targets and risk limits on an annual basis;
- reviewing and monitoring management of credit, liquidity, market, compliance and legal, operational, IT operational, strategic, and reputation risks through the enterprise risk management framework;
- reviewing management’s analysis of potential scenarios and future emerging risks that would have a material impact on the earnings, capital and/or dividends of Peoples, and ensuring that residual risk exposures are within desired levels, and when they are not that management’s responses and any plans of action are reasonable;
- approving limits and/or operating guidelines for Peoples’ material risks, including credit, market and operational risks, on at least an annual basis, and reviewing the trend and current risk levels of Peoples and monitoring compliance with established limits;
- reviewing the structure, operation and effectiveness of Peoples Bank’s Compliance Department at least annually, including whether such Compliance Department has adequate resources and authority to perform its responsibilities;
- reviewing and approving Peoples Bank’s major compliance policies;
- receiving and reviewing reports on the results of compliance risk assessments and the results of compliance testing and audits performed by Peoples Bank’s Compliance Department, internal auditors and/or consultants;
- receiving and reviewing reports from Peoples Bank’s Compliance Officer concerning Peoples Bank’s compliance with applicable laws, regulations and policies; including reports of critical compliance metrics;
- reviewing and approving the charter of Peoples Bank’s management compliance committee annually and receiving periodic reports of such committee’s activities;
- being consulted in the appointment and dismissal of Peoples Bank’s Compliance Officer;
- receiving periodic reports from Peoples Bank’s Bank Secrecy Act Officer concerning Peoples Bank’s compliance with the Bank Secrecy Act, anti-money laundering laws and regulations, and the USA Patriot Act;
- reviewing and approving Peoples Bank’s lending policies and lending concentration limits;
- overseeing management’s compliance with Peoples Bank’s lending policies;
- establishing lending authorities for Peoples Bank’s loan officers and reviewing and approving such lending authorities no less frequently than annually;
- reviewing and discussing with management the structure and performance of Peoples Bank’s loan portfolio, including loan activity, loan charge offs, concentrations, quality and risk;
- reviewing Peoples Bank’s loan review procedures and allowance for loan and lease losses;
- assessing, at least annually, the effectiveness of the Director of Risk Management;

performing an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively; and

carrying out such other duties and responsibilities as may be delegated to the Risk Committee by the Board.

The Risk Committee reviews and reassesses the adequacy of its charter at least annually and recommends any proposed changes to the full Board for approval as necessary. The Risk Committee held four meetings during the 2018 fiscal year.

## NOMINATING PROCEDURES

As described above, Peoples has a standing Governance and Nominating Committee that has the responsibility to identify and recommend to the full Board individuals qualified to become directors. Each candidate must satisfy the eligibility requirements set forth in Peoples' Code of Regulations. To be eligible for election as a director, an individual must be a shareholder of Peoples. Peoples' Corporate Governance Guidelines require that directors establish a financial stake in Peoples by developing a meaningful ownership position in Peoples over time as is appropriate given the director's personal financial circumstances; provided, however, that within seven years after the date of his or her initial election to the Board, each director must own at least 10,000 common shares of Peoples or common shares of Peoples having a market value of \$200,000, whichever is less.

Beyond the above qualifications, the Governance and Nominating Committee will consider such factors as it deems appropriate in evaluating potential individuals for Board membership, including a consideration of the individual's contribution to the diversity of the Board. When considering potential candidates for the Board, the Governance and Nominating Committee strives to assure that the composition of the Board, as well as its practices and operation, contribute to value creation and to the effective representation of Peoples' shareholders.

In considering candidates for the Board, the Governance and Nominating Committee evaluates the entirety of each candidate's credentials. The Governance and Nominating Committee believes that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters and no conflict of interest that would interfere with performance as a director. When identifying nominees to serve as directors, the Governance and Nominating Committee will consider candidates in light of Peoples' strategic plan and the current composition and needs of the Board. Factors that will be given weight in the consideration may include diversity in business and professional experience, skills, gender, ethnic background, as well as experience and/or residence in Peoples' diverse market areas. Each of these factors will be considered in order to provide the greatest benefit to the shareholders of Peoples by selecting directors with the most exemplary credentials relative to Peoples' business and markets.

As shown in the director biographical information included in the section captioned "PROPOSAL NUMBER 1: ELECTION OF DIRECTORS – Nominees," our directors represent a well-rounded variety of experience, background, knowledge and skills. The Board also gains from directors having a range of tenures as this provides continuity and experience as well as fresh perspective. The average tenure of our directors is eight years. The directors range in age from 46 to 67 years.

Because of the importance placed on the directors' business and professional experience and skills, a director who changes his or her principal occupation from that held when elected to the Board is expected to volunteer to resign from the Board. Although Peoples does not believe that it will be necessary in every instance that a director who makes such a change should leave the Board, the Governance and Nominating Committee is afforded the opportunity to review the appropriateness of continued Board service under the new circumstances and make a recommendation to the full Board.

Peoples' Corporate Governance Guidelines also provide that a director must submit his or her resignation effective as of the next annual meeting of shareholders following his or her 72nd birthday.



A director must advise the Chairman of the Board and the Chair of the Governance and Nominating Committee in advance of accepting an invitation to serve as a director of another public company. The Governance and Nominating Committee will then review whether such other board membership may unduly impact the ability of the director to fulfill his or her responsibilities as a director of Peoples and, if so, must make a recommendation to the full Board. Generally, the Board believes that a director of Peoples should not serve on more than three public company boards of directors (including Peoples' Board).

The Governance and Nominating Committee considers candidates for the Board from any reasonable source, including shareholder recommendations, and does not evaluate candidates differently based on who has made the recommendation. The Governance and Nominating Committee has the authority under its charter to hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating director candidates.

Shareholders may recommend director candidates for consideration by the Governance and Nominating Committee by writing to the Corporate Secretary of Peoples at Peoples' executive offices in Marietta, Ohio. Such recommendation must provide the candidate's name, age, business address, residence address, principal occupation or employment, and number of common shares beneficially owned. The recommendation must also describe the qualifications, attributes, skills or other qualities of the recommended director candidate. A written statement from the candidate consenting to be named as a director candidate and, if nominated and elected, to serve as a director must accompany any such recommendation.

Shareholders who wish to nominate an individual for election as a director at an annual meeting of the shareholders of Peoples must comply with the provisions of Peoples' Code of Regulations regarding shareholder nominations. Shareholder nominations must be made in writing and delivered or mailed to the Corporate Secretary of Peoples not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors. However, if less than 21 days notice of the meeting is given to the shareholders, the nomination must be mailed or delivered to the Corporate Secretary no later than the close of business on the seventh day following the day on which the notice of the meeting was mailed to the shareholders. Nominations for the Annual Meeting must be received by April 11, 2019. Each nomination must contain the following information to the extent known by the nominating shareholder:

- the name, age, business address and residence address of each proposed nominee;
- the principal occupation or employment of each proposed nominee;
- the number of shares of capital stock of Peoples beneficially owned by each proposed nominee and by the nominating shareholder; and
- any other information required to be disclosed with respect to a nominee for election as a director under the SEC's proxy rules.

Each nomination must be accompanied by the written consent of the proposed nominee to serve as a director of Peoples if elected. Nominations not made in accordance with the above requirements and Peoples' Code of Regulations will not be considered.

## SHAREHOLDER COMMUNICATIONS WITH THE BOARD

Any communication to the Board or to individual directors may be sent to the Board or one or more individual directors in one of two ways. It may be mailed, in care of Peoples' Corporate Secretary, to Peoples' headquarters in Marietta, Ohio, and the mailing envelope must contain a clear notation indicating that the enclosed correspondence is a "Shareholder-Board Communication" or a "Shareholder-Director Communication" as appropriate. In addition, shareholders may communicate with the Board or individual directors by utilizing the "Feedback" function on the "Investor Relations" page of Peoples' website that is monitored by the Corporate Secretary. All such communications, whether via mail or Peoples' website, must identify the author as a shareholder of Peoples and clearly state whether the intended recipients are all members of the Board or certain specified individual directors. The Corporate Secretary will make copies of all such communications and circulate them to the appropriate director or directors without any

screening. Any correspondence marked “personal and confidential” will be delivered by the Corporate Secretary to the intended recipient(s) without opening.

PROPOSAL NUMBER 2:

VOTE ON ADVISORY RESOLUTION TO APPROVE NAMED EXECUTIVE

OFFICERS' COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and corresponding SEC rules enable Peoples' shareholders to vote to approve, on an advisory and non-binding basis, the compensation of Peoples' named executive officers as disclosed in this Proxy Statement. Accordingly, the following resolution will be submitted for shareholder approval at the Annual Meeting:

"RESOLVED, that the shareholders of Peoples Bancorp Inc. ("Peoples") approve, on an advisory basis, the compensation of Peoples' named executive officers as disclosed in Peoples' Proxy Statement for its 2019 Annual Meeting of Shareholders pursuant to Item 402 of SEC Regulation S-K, including in the "EXECUTIVE COMPENSATION: COMPENSATION DISCUSSION AND ANALYSIS", the "SUMMARY COMPENSATION TABLE FOR 2018", and the related executive compensation tables, notes and narratives."

The Board believes that Peoples' compensation policies and procedures, which are reviewed and approved by the Compensation Committee, are effective in aligning the compensation and incentives paid to Peoples' named executive officers with Peoples' short-term goals and long-term success, and that such compensation and incentives are designed to attract, retain and motivate Peoples' key executives who are directly responsible for Peoples' continued success. The Board believes that Peoples' compensation policies and practices do not threaten the value of Peoples or the investments of our shareholders, or create incentives to engage in behaviors or business activities that are reasonably likely to have a material adverse impact on Peoples. The Board further believes that Peoples' culture focuses executives on sound risk management and appropriately rewards executives for performance. The Board also believes that Peoples' compensation policies and procedures are reasonable in comparison both to Peoples' peer bank holding companies and to Peoples' performance during the 2018 fiscal year.

Similar "Say on Pay" proposals were approved by a significant majority of the common shares voted at each of Peoples' last ten annual meetings of shareholders.

Shareholders are encouraged to carefully review the information provided in this Proxy Statement regarding the compensation of Peoples' named executive officers in the section captioned "EXECUTIVE COMPENSATION: COMPENSATION DISCUSSION AND ANALYSIS" beginning on page 28 of this Proxy Statement.

The vote on the advisory resolution relates to the compensation of Peoples' named executive officers as a whole. Because your vote is advisory, the outcome of the vote will not: (i) be binding upon the Board or the Compensation Committee with respect to future executive compensation decisions, including those relating to Peoples' named executive officers, or otherwise; (ii) overrule any decision made by the Board or the Compensation Committee; or (iii) create or imply any additional fiduciary duty by the Board or the Compensation Committee. However, the Compensation Committee expects to take into account the outcome of the vote when considering future executive compensation arrangements. The current policy of the Board is to include an advisory resolution regarding approval of the compensation of Peoples' named executive officers annually. Accordingly, unless the Board modifies its policy on the frequency of future votes, the next advisory vote to approve the compensation of Peoples' named executive officers will occur at the 2020 Annual Meeting.

Recommendation and Vote Required

THE BOARD UNANIMOUSLY RECOMMENDS THAT PEOPLES' SHAREHOLDERS VOTE "FOR"

THE APPROVAL OF THE NON-BINDING ADVISORY RESOLUTION TO APPROVE THE

COMPENSATION OF PEOPLES' NAMED EXECUTIVE OFFICERS.

The affirmative vote of a majority of the common shares represented at the Annual Meeting, in person or by proxy, and entitled to vote on the proposal is required to approve the non-binding advisory resolution to approve the compensation paid to Peoples' named executive officers as disclosed in this Proxy Statement. Except in the case of broker non-votes, a proxy received by Peoples and not revoked prior to or at the Annual Meeting will be voted in favor of this non-binding, advisory resolution unless otherwise instructed by the shareholder. The effect of an

abstention is the same as a vote “AGAINST” the proposal. Broker non-votes will not be counted in determining whether the proposal has been approved.

## EXECUTIVE COMPENSATION:

### COMPENSATION DISCUSSION AND ANALYSIS

#### Executive Summary of 2018 Fiscal Year Performance and Compensation

The Compensation Committee has responsibility for establishing, implementing and continually monitoring our executive compensation program. In particular, the Compensation Committee determines the compensation of our named executive officers (“NEOs”), which included our Chief Executive Officer (“CEO”), our Chief Financial Officer, and our three other most highly-compensated executive officers who were serving as executive officers at the end of 2018. The NEOs for 2018 were:

- ◆ Charles W. Sulerzyski, President and CEO
- ◆ John C. Rogers, Executive Vice President, Chief Financial Officer and Treasurer
- ◆ Douglas V. Wyatt, Executive Vice President, Chief Commercial Banking Officer
- ◆ Carol A. Schneeberger, Executive Vice President, Chief Administrative Officer
- ◆ Robyn A. Stevens, Executive Vice President, Chief Credit Officer

The Compensation Committee strives to ensure that the total compensation paid to the NEOs is reasonable, competitive and aligned with the best interests of our shareholders.

#### 2018 Business Highlights

Peoples achieved success in several major areas in 2018. We generated quality loan growth, increased our net interest margin, effectively managed our credit costs, grew our revenues and controlled our expenses, while completing our first bank acquisition since 2015 and announcing another bank acquisition that we expect to close in the second quarter of 2019. Below is a list of notable accomplishments in 2018:

◆ Earnings per diluted common share increased to \$2.41 compared to \$2.10 in 2017 (a 15% increase). Excluding \$7.5 million of acquisition-related costs, earnings per diluted common share were \$2.71 for 2018.

◆ We grew total revenues by 13% compared to 2017.

◆ We grew average loan balances by 14% compared to 2017.

◆ We grew net interest income 14% compared to 2017.

◆ Net interest margin increased to 3.71%, compared to 3.62% for 2017.

◆ Nonperforming assets as a percent of total assets were 0.49% at December 31, 2018, which was unchanged from December 31, 2017.

◆ For the third consecutive year, we generated positive operating leverage, which means our rate of total revenue growth on a percentage basis, exceeded our rate of non-interest expense growth on a percentage basis, for 2018. These accomplishments drove the improvement in our key performance metrics in 2018 compared to 2017 -- in particular, increased net income, increased diluted earnings per common share, greater return on average assets, and greater return on average stockholders’ equity. The solid performance supported the market price of our common shares and allowed us to increase the rate of quarterly cash dividends paid per common share to \$0.30 for the fourth quarter of 2018, compared to \$0.22 for the fourth quarter of 2017. While the market price of our common shares was lower at December 31, 2018 than at December 31, 2017, our performance in 2018 helped us preserve shareholder value better than the median of our Peer Group (as defined on page 40) despite the absolute decline.

## Goals for 2018 Incentive Awards

The performance goals for the incentive awards based on 2018 performance were designed so that the target level of awards would be paid if we met our budgetary and related financial goals as adjusted for changes in the tax laws that went into effect after those goals had been initially established. The performance goals for 2018 represented strategic decisions made by Peoples to invest in acquisitions and other key initiatives, as well as requiring the NEOs to achieve continuously improving results. We believed that these goals would position Peoples for future growth. Highlights of our performance goals for 2018 are as follows:

- The target return on average assets, adjusted for acquisition-related costs, of 1.14% was 15 basis points higher than the target in 2017 of 0.99% and four basis points higher than the result used in determining 2017 incentive payment amounts.
- The target efficiency ratio, adjusted for acquisition-related expenses, of 61.45% was 88 basis points lower than the 2017 target of 62.33% and 75 basis points lower than the result used in determining 2017 incentive payment amounts.
- Target diluted earnings per share, adjusted for acquisition-related costs, of \$2.35 were 22.4% higher than the target of \$1.92 in 2017 and 11.9% higher than the result used in determining 2017 incentive payment amounts.

## 2018 Actual Results vs. Performance Goals

In determining whether the specific 2018 performance goals were met, the Compensation Committee exercised its discretion to exclude from actual results in determining the level of achievement with respect to the performance goals, \$7.5 million of pre-tax acquisition-related costs (\$7.3 million of pre-tax acquisition-related expenses when determining the level of achievement with respect to the efficiency ratio performance goal) incurred in 2018 because of our activities related to bank acquisitions. The Compensation Committee believes this exclusion was appropriate as the adjusted results reflect our core financial performance and do not discourage management from making appropriate strategic decisions, including appropriate acquisitions. The following is a comparison of our 2018 results versus our 2018 performance goals:

- We achieved between target and maximum levels of performance for two of the three corporate performance metrics applicable to our incentive awards, and achieved the target result for the remaining corporate performance metric. Overall, our performance supported incentive awards under our annual cash and equity-based incentive program that were greater than target but less than maximum award opportunities.
- Our adjusted return on average assets of 1.35% was 21 basis points above the target level of 1.14% and two basis points short of the maximum level of 1.37%.
- Our adjusted efficiency ratio of 61.46% was in line with the target level of 61.45%.
- Our adjusted diluted earnings per share of \$2.71 was \$0.36 above the target level of \$2.35 and \$0.11 short of the maximum level of \$2.82.
- Our NEOs achieved, to varying degrees, their respective individual performance objectives.

## 2018 Compensation Actions

Our compensation philosophy is designed to provide incentives and recognition for Peoples' execution of a strategy that increases shareholder value over time. Accordingly, and by design, the executive compensation received by the NEOs for 2018 generally reflected the 2018 results of achieving between the target and maximum levels of the performance goals we set for the year. Thus, cash and equity incentives were awarded to each of the NEOs generally at levels between the applicable target and maximum payout potentials for those awards. Mr. Sulerzyski's total direct compensation for 2018 performance was \$1,312,996, which was an increase of 13% compared to the total direct compensation he received for 2017 performance in the amount of \$1,161,968. Total direct compensation means the total of base salary and any cash and equity-based incentive payments earned for a given year's performance.

Highlights of our 2018 compensation actions were as follows:

29

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• Cash incentive payments were awarded to the NEOs for 2018 results based on achieving between the target and maximum levels of performance for two of the three corporate performance goals and the target level for the remaining corporate performance goal, and based on the NEOs achieving, to varying degrees, their respective individual performance objectives.

• Equity-based incentive payments were awarded to the NEOs from a pool created by using 2018 results based on achieving between the target and maximum levels of performance based on the achievement of Peoples' annual financial goals as described above.

• A base salary increase was approved for each of the NEOs for 2019.

#### Notable Pay Practices

We believe our compensation programs and philosophy are appropriately designed to reward performance, protect the interests of our shareholders, and provide appropriate incentives to executive management, while not encouraging excessive risk-taking. We believe in tying compensation to the results achieved. Below is an overview of our pay practices, which reflect these beliefs:

• We target market median pay levels, and we consider peer and market data in setting pay.

• We link pay to performance.

• We require a minimum level of corporate performance before any incentive compensation is paid to the NEOs.

• We have a stock holding requirement with respect to equity-based compensation awarded to the NEOs.

• We have an executive incentive compensation clawback policy to ensure that incentive compensation paid to our NEOs is based on accurate financial data.

• A double trigger (i.e., both a change in control and a termination of employment) is required for payment under our change in control agreements with our NEOs. Beginning in 2016 with the change in control agreements with Ms. Stevens and Mr. Wyatt, we have defined compensation for the purpose of calculating the amount of severance to be the sum of the NEO's annualized monthly base salary plus the average of annual cash incentives paid to the NEO over the prior three years.

• We prohibit our NEOs from hedging or pledging their Peoples common shares, and we require that they obtain pre-clearance before trading in Peoples common shares.

• We conduct an annual risk assessment of our compensation programs.

• We hold an annual shareholder advisory "say-on-pay" vote.

• We annually engage an independent compensation advisor and review its independence.

• Our Compensation Committee is comprised entirely of independent directors.

Additional information about our annual results and our compensation decisions follows. We believe this information provides guidance on how our decisions, established programs, and corporate results came together in the compensation decisions made by the Compensation Committee.

#### Total Shareholder Return

The value we return to our shareholders is an important component of our compensation philosophy. Peoples' corporate performance is benchmarked against a variety of metrics in order to provide a view of the more specific performance components that combine to drive the total annual return for our shareholders. Long-term growth in total shareholder return is a tenet of our compensation strategy, as a large portion of our NEOs' compensation is paid in the form of restricted common shares, the value of which is tied to the market price of our common shares. As shown on the graphs below, Peoples' total one-year shareholder return in each of 2016, 2017 and 2018 was better than the

median of our Peer Group, and Peoples' total three-year shareholder return of 20% was meaningfully better than the Peer Group median of 12%.

The following charts show the total shareholder return for Peoples and the median of the Peer Group for the time periods specified.

Total Shareholder Return for the periods ended December 31, 2018, December 31, 2017, December 31, 2016 and December 31, 2015 (1)

(1) Comparison of one-year total shareholder returns of Peoples and the median of the Peer Group. Each total shareholder return includes the impact of dividends.

31

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Total Shareholder Return for period ended December 31, 2018 (1)

(1) Comparison of one-year, three-year, and five-year annualized total shareholder returns of Peoples and the median of the Peer Group. Each total shareholder return includes the impact of dividends.

Performance Relative to Specific Key Metrics which Drive Shareholder Return

We objectively review our performance in various categories to ensure that we are making progress towards our strategic goals. The metrics below provide an overall view of our performance in specific, measurable areas, which ultimately translate to the measurable total returns for our shareholders noted in the previous charts.

The following table illustrates the performance of Peoples during the five-year period ended December 31, 2018 with respect to several key performance metrics. The table highlights the improved results in 2018 compared to 2017. Generally, we showed continued improvement across these metrics, which supports the incentives awarded for 2018 performance.

32

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	2018	2017	2016	2015	2014		
Net Income (in 000s)	\$46,255	\$38,471	\$31,157	\$10,941	\$16,684		
Diluted Earnings per Common Share	\$2.41	\$2.10	\$1.71	\$0.61	\$1.35		
Adjusted Diluted Earnings per Common Share (1)	\$2.71	—	—	—	—		
Return on Average Assets	1.19	% 1.10	% 0.94	% 0.35	% 0.74	%	%
Adjusted Return on Average Assets (1)	1.35	% —	% —	% —	% —	%	%
Pre-Provision Net Revenue to Total							
Average Assets (2)	1.57	% 1.65	% 1.48	% 0.96	% 1.10	%	%
Return on Average Stockholders' Equity	9.48	% 8.54	% 7.20	% 2.69	% 6.16	%	%
Efficiency Ratio (3)	65.33	% 62.20	% 65.13	% 75.50	% 75.37	%	%
Adjusted Efficiency Ratio (1)	61.46	% —	% —	% —	% —	%	%
Tier 1 Risk-Based Capital Ratio	13.73	% 13.55	% 13.21	% 13.67	% 14.32	%	%
Nonperforming Assets as a Percent of							
Total Assets	0.49	% 0.49	% 0.75	% 0.62	% 0.47	%	%
Provision for Loan Losses as a Percent of Average Total Loans	0.21	% 0.16	% 0.17	% 0.72	% 0.02	%	%
Criticized Loans as Percent of Total							
Loans (4)	4.18	% 3.84	% 4.46	% 5.89	% 4.60	%	%
Classified Loans as Percent of Total							
Loans (5)	1.61	% 1.97	% 2.59	% 2.91	% 2.76	%	%

(1) Served as a performance measure for incentive awards based on 2018 performance. Represents adjustment to the immediately preceding metric to exclude \$7.5 million of pre-tax acquisition-related costs incurred with respect to the metrics of adjusted diluted earnings per common share and adjusted return on average assets, and \$7.3 million of pre-tax acquisition-related expenses incurred with respect to the metric of adjusted efficiency ratio.

(2) These amounts represent non-generally accepted accounting principles in the United States of America (“US GAAP”) financial measures since pre-provision net revenue, which is defined as net interest income plus total non-interest income (excluding all gains and losses) minus total non-interest expense, excludes the provision for loan losses and all gains and losses included in earnings. Additional information regarding the calculation of this measure can be found in “ITEM 7 MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” of Peoples’ Annual Report on Form 10-K for the fiscal year ended December 31, 2018, under the caption “Pre-Provision Net Revenue.”

(3) Efficiency ratio is calculated as total non-interest expense (less amortization of other intangible assets) as a percentage of fully tax-equivalent net interest income plus total non-interest income, excluding all gains and losses. This measure is non-US GAAP since it excludes amortization of other intangible assets and all gains and/or losses included in earnings, and uses fully tax-equivalent net interest income. Additional information regarding the calculation of this measure can be found in “ITEM 7 MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” of Peoples’ Annual Report on Form 10-K for the fiscal year ended December 31, 2018, under the caption “Efficiency Ratio.”

(4) Criticized loans includes loans categorized as special mention, substandard or doubtful.

(5) Classified loans includes loans categorized as substandard or doubtful.

Pay for Performance

The Compensation Committee and management of Peoples believe that our executive compensation programs are designed to incentivize sound and fundamental growth and profitability of Peoples, which will lead to improved returns to the shareholders. In years where we achieve our strategic goals and where actual performance meets or exceeds performance goals, compensation in the form of incentive payouts will increase. When we do not meet the



expectations and goals we set as a company, incentive payouts will be reduced or not made at all, reflecting the design of our incentive awards.

The chart below shows Mr. Sulerzyski’s total direct compensation for fiscal years 2012 through 2018 and Peoples’ corresponding return on average assets (“ROAA”) in those years (for fiscal years 2014 and 2018, ROAA as adjusted for acquisition-related costs incurred relating to financial institution acquisitions, which was a performance goal measured those years). The compensation amount displayed for each year reflects the amount earned for performance in terms of growth and profitability of Peoples in that year. This chart illustrates how the changes in Mr. Sulerzyski’s annual direct compensation generally tracked the changes in Peoples’ annual return on average assets for fiscal years since 2015.

The table below shows incentive compensation payouts for the NEOs based upon 2017 and 2018 results. Performance for 2017 and 2018 was consistent with the objectives of our strategic plan, and, therefore, incentive compensation was paid to the NEOs for 2017 and 2018 results. Incentive compensation paid for 2017 and 2018 generally reflected Peoples’ performance between target and maximum levels of performance in each of those years. These awards reflected Peoples’ performance as compared to the goals for 2017 and 2018.

Name	2017 Equity-		2018 Equity-	
	2017 Cash Incentive as % of 2017 Base Salary	2018 Cash Incentive as % of 2018 Base Salary	Based Incentive as % of 2017 Base Salary	Based Incentive as % of 2018 Base Salary
Charles W. Sulerzyski	63.5%	68.7%	62.1%	63.7%
John C. Rogers	43.1%	45.1%	29.5%	33.3%
Douglas V. Wyatt (5)	44.2%	44.4%	32.0%	38.5%
Carol A. Schneeberger	38.2%	46.0%	30.0%	38.5%
Robyn A. Stevens	43.5%	45.4%	32.5%	43.5%

(1) Amounts in this column reflect the percentage of 2017 base salary represented by cash incentive payments earned for 2017 performance and paid in 2018. Each percentage is based upon the actual base salary earned in 2017. Base salary is reported in the “Salary” column and the cash incentive payment earned is reported in the “Non-Equity Incentive Plan Compensation” column, in each case for 2017, in the “SUMMARY COMPENSATION TABLE FOR 2018” beginning on page 54 of this Proxy Statement.

- (2) Amounts in this column reflect the percentage of 2018 base salary represented by cash incentive payments earned for 2018 performance and paid in 2019. Each percentage is based upon the actual base salary earned in 2018. Base salary is reported in the “Salary” column and the cash incentive payment earned is reported in the “Non-Equity Incentive Plan Compensation” column, in each case for 2018, in the “SUMMARY COMPENSATION TABLE FOR 2018” beginning on page 54 of this Proxy Statement.
- (3) Amounts in this column reflect the percentage of 2017 base salary represented by awards of restricted common shares (valued using The Nasdaq Global Select Market® closing price of Peoples’ common shares on the grant date) which were granted in 2018 for 2017 performance. Base salary is reported in the “Salary” column for 2017 in the “SUMMARY COMPENSATION TABLE FOR 2018” beginning on page 54 of this Proxy Statement. The restricted common share awards are reported in the “Stock Awards” column for 2018 in the “SUMMARY COMPENSATION TABLE FOR 2018” beginning on page 54 of this Proxy Statement.
- (4) Amounts in this column reflect the percentage of 2018 base salary represented by awards of restricted common shares (valued using The Nasdaq Global Select Market® closing price of Peoples’ common shares on the grant date) which were granted in 2019 for 2018 performance. Base salary is reported in the “Salary” column for 2018 in the “SUMMARY COMPENSATION TABLE FOR 2018” beginning on page 54 of this Proxy Statement. The restricted common share awards will be reported in the “Stock Awards” column for 2019 in the “SUMMARY COMPENSATION TABLE FOR 2019” in the Proxy Statement for the 2020 Annual Meeting of Shareholders. Amounts in this column do not include the performance units granted under the one-time supplemental long-term incentive program for the 24-month performance period that began on January 1, 2018 and will end on December 31, 2019.

(5) Mr. Wyatt became Executive Vice President and Chief Commercial Banking Officer of Peoples on April 1, 2017. Pay for Performance - Our Key Compensation Decisions

Because we believe in tying compensation to performance, the Compensation Committee made the following decisions regarding the NEOs’ compensation as a result of the performance results for 2018, performance relative to our peers and to our goals, and the level of achievement of both annual and long-term goals described below. Additionally, the Compensation Committee considered Peoples’ objectives in attracting, rewarding and retaining talent within the organization and providing incentives to the NEOs to provide leadership in the execution of Peoples’ strategic plan.

◆ **CEO Compensation:** Based upon the Compensation Committee’s review of corporate and individual performance and market pay data for the updated peer group (described on page 41), Mr. Sulerzyski’s base salary was increased from \$565,000 to \$600,000 for 2019 (a 6% increase). The increase was in recognition of the improved performance of Peoples and the quality of Mr. Sulerzyski’s leadership, and the Compensation Committee’s desire for Mr. Sulerzyski’s base salary to approximate the median base salary of similarly-situated officers serving with members of the updated peer group. For 2018 performance, Mr. Sulerzyski earned a cash incentive payment of \$388,000 (68.7% of his 2018 base salary, between target of 50% and maximum of 75%) and 11,180 restricted common shares under the equity-based long-term incentive plan. The restricted common shares were granted to Mr. Sulerzyski on February 5, 2019, and are subject to both time-based and performance-based vesting in that they will vest on the third anniversary of the grant date, provided that Peoples has maintained a well-capitalized status and had positive net income for each of the fiscal years comprising the vesting period. In the event the performance metrics are not met in a given year, then the number of common shares as to which restrictions will lapse at the end of the cliff-vesting period will be reduced by one-third. The grant date fair value of the restricted common shares was \$359,996 (63.7% of 2018 base salary), based on the closing price of Peoples’ common shares on the grant date. Both the cash incentive payment and the grant of restricted common shares was determined based on corporate and individual achievement of the target level or above in the performance goals set by the Compensation Committee and the independent members of the full Board.

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	2019		2018		2017				
	Base Salary	Base Salary	Cash Incentive	Long-Term Incentive Payout in 2019 for 2018	Total Direct Compensation	Base Salary	Cash Incentive	Long-Term Incentive Payout in 2017 for 2018	Total Direct Compensation
NEO Charles W. Sulerzyski	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	\$600,000	\$565,000	\$388,000	\$359,996	\$1,312,996	\$515,000	\$327,000	\$319,968	\$1,161,968

Other NEO Compensation: Compensation decisions for the other NEOs are summarized in the table below. Based on the Compensation Committee's review of corporate and individual performance, and market pay data for the updated peer group, Mr. Rogers' salary was increased from \$315,000 to \$321,000, Mr. Wyatt's salary was increased from \$260,000 to \$265,000, Ms. Schneeberger's salary was increased from \$260,000 to \$265,000, and Ms. Stevens' salary was increased from \$230,000 to \$240,000, in each case for 2019 (collectively, increases of 2% to 4%). These base salaries approximate the median base salaries of similarly-situated officers serving with members of the updated peer group. Cash incentive awards were based on achievement of corporate and individual goals at varying levels from threshold to maximum. Restricted common shares were granted to each NEO on February 5, 2019, and are subject to both time-based and performance-based vesting in that they will vest on the third anniversary of the grant date, provided that Peoples has maintained a well-capitalized status and had positive net income for each of the fiscal years comprising the vesting period. In the event the performance metrics are not met in a given year, the number of common shares as to which restrictions will lapse at the end of the cliff-vesting period will be reduced by one-third.

	2019		2018		2017				
	Base Salary	Base Salary	Cash Incentive	Long-Term Incentive Payout in 2019 for 2018	Total Direct Compensation	Base Salary	Cash Incentive	Long-Term Incentive Payout in 2017 for 2018	Total Direct Compensation
NEO John C. Rogers	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	\$321,000	\$315,000	\$142,000	\$104,972	\$561,972	\$305,000	\$131,500	\$89,992	\$526,492
NEO Douglas V. Wyatt	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	\$265,000	\$260,000	\$115,500	\$99,981	\$475,481	\$250,000	\$110,500	\$79,966	\$440,466
	\$265,000	\$260,000	\$119,500	\$99,981	\$479,481	\$250,000	\$95,500	\$74,970	\$420,470

Schneeberger  
 Robyn A.

Stevens	\$240,000	\$230,000	\$104,500	\$99,981	\$434,481	\$215,000	\$93,500	\$69,974	\$378,474
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Advisory Vote of Shareholders

The Compensation Committee reviewed and considered the non-binding advisory vote of shareholders (which approved the compensation of Peoples’ NEOs for the 2017 fiscal year as disclosed in the Proxy Statement for the 2018 Annual Meeting of Shareholders) and focused on continuing to design executive compensation programs intended to meet the best interests of Peoples’ shareholders. The result of the advisory vote in 2018 was 11,954,211 common shares voting in favor of the advisory resolution to approve the NEO compensation for 2017, an approval rate of 96% of the common shares voted, including abstentions. Considering this level of support, the Compensation Committee decided to generally maintain the structure of Peoples’ executive compensation program for 2018.

The discussion and analysis which follows is intended to provide shareholders with information about the results upon which the Compensation Committee relied in making compensation decisions relative to 2018 performance. The Compensation Committee believes that its actions were consistent with Peoples’ compensation philosophy and objectives, demonstrating that Peoples’ NEOs continue to be incentivized to achieve results in the best interests of our shareholders. The Compensation Committee has determined that Peoples’ compensation policies

and practices do not threaten the value of Peoples or the investments of its shareholders, or create incentives to engage in behaviors or business activities that are reasonably likely to have a material adverse impact on Peoples. See the discussion of the Compensation Committee's review in the section captioned "COMPENSATION COMMITTEE REPORT - Discussion of Risk Review and Assess," beginning on page 52 of this Proxy Statement.

### Compensation Philosophy and Objectives

The overall philosophy for Peoples is to provide a compensation program which balances market, shareholder and regulatory considerations. In designing our compensation plans, we take into account both the absolute performance of Peoples, as well as relative improvement in the performance of Peoples during any given time period. The current incentive compensation awards are focused on both short-term and long-term goal achievement by Peoples through the use of cash and equity-based compensation in combinations that are driven by both annual and long-term goals and objectives for Peoples and the individual NEOs.

The goal of the compensation program for Peoples' NEOs is the same as our goal in the operation of Peoples' business - to create long-term value for our shareholders. In an effort to achieve this goal, we have designed and implemented a compensation program for the NEOs that:

- rewards them for sustained positive financial and operating performance and leadership excellence;
- aligns their interests with those of our shareholders;
- attracts qualified talent; and
- encourages strong performers to remain with Peoples for long and productive careers.

The elements of our compensation program consist of base salary, cash and equity-based incentive compensation, retirement and other benefits, and perquisites and other personal benefits. We combine the compensation elements for each NEO in a manner we believe optimizes the NEO's contribution to Peoples and our shareholders, motivates the NEO to attain the business goals set by Peoples, and rewards the NEO for attaining such goals without encouraging unnecessary and excessive risk-taking that could threaten the value of Peoples.

While the Compensation Committee oversees the compensation of all officers and employees, a primary focus of the Compensation Committee is the compensation for Peoples' executive officers and other senior officers. The intent is to reward all employees for continuous improvement and identification and implementation of best practices and, specifically, to set up compensation plans for executive officers and senior officers to reward those employees for enhancing shareholder value through profitable revenue growth and responsible risk management. The compensation philosophy established by the Compensation Committee covers the direct forms of compensation and serves as a tool that the full Board and management use to ensure the compensation programs developed are both competitive with respect to officer compensation and reasonable within the marketplace.

• **Base Salary:** Base salaries for our executive officers are benchmarked at the median of those of similarly-situated officers serving with members of Peoples' Peer Group. Based upon individual circumstances, actual base salary levels may be higher or lower than this "market median" based on several factors. For the purposes of the annual incentive program, and as used herein, "base salary" is defined as the base salary compensation paid during the calendar year.

• **Total Cash Compensation:** Total cash compensation represents base salary plus any cash incentive payout received for annual performance. The long-term objective is for total cash compensation for our executive officers to be consistent with the market median of that received by similarly-situated officers serving with members of Peoples' Peer Group for achieving target performance. Likewise, the objective is for total cash compensation for our executive officers to be at or above the 75th percentile of that received by similarly-situated officers if performance is achieved at the 75th percentile of the Peer Group. Conversely, if our performance is below the 25th percentile of the Peer Group, the objective is for total cash compensation for our executive officers to be at or below the 25th percentile of that received by similarly situated officers.

• **Total Direct Compensation:** Total direct compensation is comprised of total cash compensation plus the grant date fair value of equity-based awards. The objective is to grant equity-based awards only after performance goals for a

fiscal year have been attained. Equity-based awards are granted with a three-year “cliff-vesting period,” which enhances employee retention and reduces the

37

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sensitivity to short-term performance. Additionally, vesting of the restricted common shares granted under the program requires that Peoples meets performance criteria for each of the fiscal years comprising the vesting period. In the event the performance criteria are not met in a given year, the common shares as to which restrictions will lapse at the end of the cliff-vesting period are reduced by one-third. The long-term goal for total direct compensation is that the total direct compensation ranking for each NEO, compared to the total direct compensation of the similarly-situated officers serving with members of Peoples' Peer Group, will reflect a percentile similar to that resulting when Peoples' performance, as measured by return on average stockholders' equity, return on average assets, and other common performance measures used by the financial services industry, and especially community banks, is compared to that of the members of Peoples' Peer Group. For example, if target performance is achieved at both the individual and the corporate level, it is expected that each executive officer's total direct compensation will approximate the market median of similarly-situated officers serving with members of Peoples' Peer Group and that Peoples' performance under these common performance measures will generally align with the median performance of members of the Peer Group.

No specific formula is used to determine the allocation between compensation elements, as decisions regarding individual pay elements and overall target compensation levels are based on market median pay levels. However, the portion of the total direct compensation that could have been earned in the form of cash and equity-based incentives at target levels of performance emphasized Peoples' focus on pay-for-performance during 2018. At 2018 target levels of performance, 49.5% of Mr. Sulerzyski's total direct compensation, and 37.5% of the other NEOs' total direct compensation, would have been in the form of performance-based compensation.

#### Role of Executive Officers in Compensation Decisions

The Compensation Committee makes all compensation decisions related to the NEOs of Peoples and recommends to the full Board any equity-based award grants for the non-employee directors. Annually, the President and CEO of Peoples reviews the performance of each NEO (excluding his own) by comparing the results attained to Compensation Committee-approved goals, as well as the overall performance of Peoples as compared to Board-approved corporate performance goals. Both corporate and individual goals are defined for threshold, target and maximum levels of performance. This data forms the basis for the recommendations of the President and CEO to the Compensation Committee with respect to the compensation of the other NEOs, including base salary adjustments, and payout percentages (relative to base salary) for the annual cash incentive payments and equity-based incentive awards. The Compensation Committee considers the President and CEO's recommendations and uses the Compensation Committee's own discretion in making the final compensation decisions with respect to the NEOs, which may differ from the recommendations of the President and CEO.

#### Setting Executive Compensation

The Compensation Committee has the sole authority to engage the services of any compensation consultant or advisor. The Compensation Committee from time to time engages the services of an independent compensation and benefits consultant in order to ensure that Peoples provides total direct compensation that is performance-based, consistent with its philosophy and competitive with its stated Peer Group, its geographic peers and the financial services industry in general. In 2018, the Compensation Committee engaged Pay Governance, LLC ("Pay Governance") to serve in this role. Pay Governance provided market intelligence on industry compensation trends along with views on specific compensation programs. Pay Governance's lead consultant reports directly to the Chair of the Compensation Committee, who authorizes Pay Governance's work. Pay Governance's lead consultant also interacts with senior leadership of Peoples as needed to complete the work requested by the Compensation Committee. All work completed by Pay Governance was reported to the Compensation Committee. Communications between the Compensation Committee and the compensation consultant may occur through (i) direct conversations between the Chair of the Compensation Committee and the consultant, (ii) communications between the President and CEO, the Chief Administrative Officer and/or the Secretary of the Compensation Committee and the consultant, or (iii) participation by the consultant in Compensation Committee meetings, including executive sessions with only non-employee directors present.

During 2018, Pay Governance provided information regarding market trends and practices for incentive plan design and executive compensation. At the request of the Compensation Committee, Pay Governance reviewed and

38

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evaluated the features and design of the 2006 Plan, performed a comprehensive review and evaluation of the Peer Group used for performance benchmarking, reviewed and evaluated Peoples' pay program for outside directors, performed a comprehensive review and evaluation of executive compensation levels, and reviewed and evaluated Peoples' long-term incentive program. Pay Governance attended several of the Compensation Committee's meetings during the year.

The Compensation Committee determined that the work of Pay Governance in 2018 did not raise any conflict of interest. Additionally, the Compensation Committee determined that Pay Governance was independent of management after considering several factors, including (1) whether the firm provided any other services to Peoples; (2) the amount of fees received from Peoples by the firm as a percentage of the firm's total revenue; (3) the firm's policies and procedures that are designed to prevent conflicts of interest; (4) any business or personal relationship of the individual compensation consultants providing services to Peoples with one or more members of the Compensation Committee; (5) the number of Peoples common shares owned by the individual compensation consultants providing services to Peoples; and (6) any business or personal relationships between the executive officers of Peoples and the firm or the individual compensation consultants providing services to Peoples.

The Compensation Committee used the following Peer Group for performance benchmarking in 2018, which is the same Peer Group the Compensation Committee used for performance benchmarking in each of 2017 and 2016. From time to time, the Compensation Committee used this Peer Group for the purposes of executive compensation comparison and benchmarking. The Peer Group is comprised of 22 publicly-traded financial services holding companies with total asset sizes ranging from \$2.3 billion to \$13.8 billion. Asset sizes are provided based on public information available as of September 30, 2018. The members of this Peer Group are headquartered in Indiana, Kentucky, western New York, Ohio, western Pennsylvania and West Virginia and serve markets and/or geographic areas similar to those of Peoples. Financial and operating data were reviewed by the Compensation Committee to ensure that the companies in the Peer Group have similar performance characteristics to those of Peoples. Pay Governance reviewed the Peer Group and indicated that the companies were appropriate for comparison purposes based upon the demographic and performance filters used by the Compensation Committee to make its peer group selection, particularly the size and location of each institution in the Peer Group. The institutions in the Peer Group have total assets between one-half to three times the total asset size of Peoples.

Peer Group Member	Location	Total Assets (\$ Billions)	Ticker Symbol
First Financial Bancorp.	Cincinnati, OH	\$ 13.8	FFBC
Community Bank System, Inc.	DeWitt, NY	\$ 10.7	CBU
First Merchants Corporation	Muncie, IN	\$ 9.8	FRME
Park National Corporation	Newark, OH	\$ 7.8	PRK
First Commonwealth Financial Corporation	Indiana, PA	\$ 7.7	FCF
S&T Bancorp, Inc.	Indiana, PA	\$ 7.1	STBA
Tompkins Financial Corporation	Ithaca, NY	\$ 6.7	TMP
1st Source Corporation	South Bend, IN	\$ 6.3	SRCE
TriState Capital Holdings, Inc.	Pittsburgh, PA	\$ 5.6	TSC
Republic Bancorp, Inc.	Louisville, KY	\$ 5.2	RBCAA
Lakeland Financial Corporation	Warsaw, IN	\$ 4.8	LKFN
City Holding Company	Charleston, WV	\$ 4.4	CHCO
Financial Institutions, Inc.	Warsaw, NY	\$ 4.3	FISI
Community Trust Bancorp, Inc.	Pikeville, KY	\$ 4.2	CTBI
Horizon Bancorp, Inc.	Michigan City, IN	\$ 4.2	HBNC
German American Bancorp, Inc.	Jasper, IN	\$ 3.4	GABC
Stock Yards Bancorp, Inc.	Louisville, KY	\$ 3.3	SYBT
First Defiance Financial Corp.	Defiance, OH	\$ 3.1	FDEF
CNB Financial Corporation	Clearfield, PA	\$ 3.1	CCNE
First Financial Corporation	Terre Haute, IN	\$ 3.0	THFF
United Community Financial Corp.	Youngstown, OH	\$ 2.8	UCFC
Farmers National Banc Corp.	Canfield, OH	\$ 2.3	FMNB

This 22-member group is referred to in this discussion and analysis as the “Peer Group.” The Compensation Committee used the Peer Group data to analyze the overall competitiveness of the compensation of Peoples’ NEOs in 2018 in light of our compensation philosophy and objectives by comparing (i) the relative ranking of each NEO’s base salary and total direct compensation to the base salary and total direct compensation for similarly-situated officers serving members of the Peer Group for threshold, target and maximum levels of performance, and (ii) the level of performance achieved by Peoples compared to members of the Peer Group as defined by common performance measures used by the financial services industry, and especially by community banks.

In July of 2018, after consultation with Pay Governance, the Compensation Committee adopted the following updated peer group for use in compensation and performance benchmarking for 2019. The updated peer group is comprised of 21 publicly-traded financial institution holding companies with total asset sizes ranging from \$2.1 billion to \$9.8 billion. The members of this updated peer group are located in the states of Indiana, Kentucky, Ohio, New York, Pennsylvania and West Virginia. Financial and operating data were reviewed to ensure that the companies in the updated peer group have similar performance characteristics to those of Peoples. Pay Governance reviewed the updated peer group and indicated that the companies were appropriate for 2019 benchmarking purposes based upon the demographic and performance filters used by the Compensation Committee to make its peer group selection, particularly the size and location of each institution in the updated peer group. The updated peer group includes 19 institutions from the current Peer Group as well as two new institutions. The institutions comprising the updated peer group have total assets between one-half to two and one-half times the size of Peoples, and are located in the same geographic footprint of the institutions in the current Peer Group. Peoples’ total asset size is at approximately the median point of the updated peer group.

Peer Group Member	Location	Total Assets (\$ Billions)	Ticker Symbol
First Merchants Corporation	Muncie, IN	\$ 9.8	FRME
Northwest Bancshares, Inc.	Warren, PA	\$ 9.6	NWBI
Park National Corporation	Newark, OH	\$ 7.8	PRK
First Commonwealth Financial Corporation	Indiana, PA	\$ 7.7	FCF
S&T Bancorp, Inc.	Indiana, PA	\$ 7.1	STBA
Tompkins Financial Corporation	Ithaca, NY	\$ 6.7	TMP
1st Source Corporation	South Bend, IN	\$ 6.3	SRCE
TriState Capital Holdings, Inc.	Pittsburgh, PA	\$ 5.6	TSC
Lakeland Financial Corporation	Warsaw, IN	\$ 4.8	LKFN
City Holding Company	Charleston, WV	\$ 4.4	CHCO
Financial Institutions, Inc.	Warsaw, NY	\$ 4.3	FISI
Community Trust Bancorp, Inc.	Pikeville, KY	\$ 4.2	CTBI
Horizon Bancorp, Inc.	Michigan City, IN	\$ 4.2	HBNC
German American Bancorp, Inc.	Jasper, IN	\$ 3.4	GABC
Stock Yards Bancorp, Inc.	Louisville, KY	\$ 3.3	SYBT
First Defiance Financial Corp.	Defiance, OH	\$ 3.1	FDEF
CNB Financial Corporation	Clearfield, PA	\$ 3.1	CCNE
First Financial Corporation	Terre Haute, IN	\$ 3.0	THFF
United Community Financial Corp.	Youngstown, OH	\$ 2.8	UCFC
Farmers National Banc Corp.	Canfield, OH	\$ 2.3	FMNB
Summit Financial Group, Inc.	Moorefield, WV	\$ 2.1	SMMF

In view of the current economic and financial environment, the Compensation Committee has reviewed the design and operation of Peoples' compensation arrangements for 2018, including the compensation arrangements of Peoples' executive officers, with Peoples' senior risk officer. This review included the mix of base salary and performance-based incentive compensation, and the performance goals required to be attained for threshold, target and maximum levels of cash and equity-based incentive payments, along with the corresponding payout potentials. The Compensation Committee has determined that these arrangements did not provide Peoples' executive officers with the incentive to engage in business activities or other behavior that would materially threaten the value of Peoples or the investment of Peoples' shareholders.

#### 2018 Executive Compensation Components

For 2018, the principal components of compensation for the NEOs were:

- Base salary;
- Annual cash incentive compensation;
- Long-term equity-based incentive compensation;
- Retirement and other benefits; and
- Perquisites and other personal benefits.

#### Base Salary

The Compensation Committee believes that base salaries for the NEOs should be competitive with the median of the base salaries of similarly-situated executive officers of members of the Peer Group. Depending on individual experience, job performance and competitive market requirements, the actual base salary for a particular NEO may be higher or lower than the median base salary for the similarly-situated Peer Group executive officer (but still typically in the range of the 40th to 60th percentile of the Peer Group). Potential individual NEO base salary increases are reviewed annually by the Compensation Committee and are based on (i) the NEO's overall contribution



to Peoples' performance, (ii) the NEO's attainment of specific individual business objectives during the preceding year, and (iii) adjustments, if any occur, in the overall responsibilities of the individual.

As noted previously in the "Executive Summary of 2018 Fiscal Year Performance and Compensation," based on Peoples' 2018 financial performance, based on Peoples' compensation philosophy and objective of rewarding NEOs for enhancing long-term shareholder value and meeting Peoples' strategic objectives through their individual contributions, and based on market pay data of the updated peer group, the Compensation Committee chose to adjust the base salaries of the NEOs for 2019. As a result, the Compensation Committee approved the following increased base salaries, effective January 1, 2019: Mr. Sulerzyski - \$600,000; Mr. Rogers - \$321,000; Mr. Wyatt - \$265,000; Ms. Schneeberger - \$265,000; and Ms. Stevens - \$240,000. These base salaries approximate the median base salaries of similarly-situated officers serving with members of the updated peer group.

#### Cash and Equity-Based Incentive Program

NEOs are eligible to earn additional compensation under the incentive program. The incentive program was developed to reward performance by providing awards which increase as a percentage of base salary for relatively higher levels of performance and, conversely, by not paying incentives if the absolute minimum performance goals are not met. The incentive program is designed to motivate and reward the NEOs for their contributions to business goals that the Compensation Committee believe drive earnings and create shareholder value without encouraging unnecessary and excessive risk-taking.

#### 2018 Incentive Program Design

The 2018 incentive program design was comprised of the annual incentive awards and the long-term incentive program. The annual incentive awards provide for cash awards calculated based upon corporate and individual performance using the annual incentive payout percentages assigned to each participant's incentive tier. In order to participate in the incentive program for a given fiscal year, the NEO must have been employed by Peoples as of October 1st of the fiscal year and must also be employed by Peoples on the date of the award, which occurs in February or March of the year following the fiscal year being measured.

On December 21, 2017, the Compensation Committee approved the individual goals for Peoples' NEOs and on February 22, 2018, the full Board established the 2018 corporate incentive performance goals. The Board adopted a scorecard approach with three corporate performance components, each adjusted for acquisition-related costs (acquisition-related expenses in the case of the efficiency ratio performance goal): (1) return on average assets; (2) efficiency ratio; and (3) diluted earnings per common share. This approach was the same as the one used to determine annual incentive awards for 2017. The Board set the corporate performance goals for 2018, as shown in the table below, along with the weighting for each component applicable to each of the NEOs except for Mr. Wyatt, whose weightings were different as noted below. Our corporate performance results for 2018 are also shown, indicating that we achieved between target and maximum levels of performance for two of the three corporate objectives and target level of performance for one of the corporate objectives. Actual corporate results expressed as an overall percentage of the target level of achievement were 130% for 2018 compared to 120% for 2017. With respect to the 2018 incentive program, the corporate incentive goals for Mr. Wyatt were weighted at 50%, with line of business goals weighted at 25% and individual performance goals weighted at 25%. The other NEO participants' corporate incentive goals were weighted at 70% and their individual performance goals were weighted at 30%.

	Weighting		Weighting		2018	
	for	for	for	for	Results	
	Mr. Wyatt	NEOs	Threshold	Target	Maximum	(1)
Return on Average Assets	12.5 %	17.5 %	0.91 %			