



BOARD DIVERSITY EQUITY AND INCLUSION POLICY

Date Approved by Board of Directors: January 26, 2024
Date Last Reviewed: January, 2024
Date Adopted: December 2022

Introduction

Peoples Financial Services Corp. and its wholly owned subsidiary, Peoples Security Bank and Trust Company (collectively, the “Company”) is committed to fostering, cultivating and preserving a culture of diversity and inclusion. This policy is intended to provide a framework for inclusion to promote diversity and equity in the boards of the Company. The Board of Directors of the Company believes in the benefits diversity brings, and it recognizes that diversity of thought contributes to the formation of a strong organization. Having a board and organization composed of people with diverse skills, experience, backgrounds and perspectives can contribute to:

- a robust understanding of opportunities, issues and risks
- inclusion of different concepts, ideas and relationships
- enhanced decision-making and dialogue
- heightened capacity for oversight of the organization and its governance
- an appreciation of various points of view
- sustainability of the organization

For purposes of board composition, diversity within the board and across the Company includes, but is not limited to:

- skills and experience
- gender
- race
- cultural background/ethnicity/nationality
- sexual orientation or gender identity
- ability
- socio-economic status
- veteran status

The board will make good use of these differences and distinctions among individuals to determine the optimum composition of the board. All board appointments must collectively reflect the diverse nature of the environment in which the organization operates and be made on merit, in the context of the skills, experience, independence and knowledge which the board requires to be effective. The board is committed to diversity.

Applicability

This policy applies to board of director composition and recruitment.

Policy Statement

The Company, through its board nomination process and governance principles, will pursue and evaluate candidates for board membership and board membership generally with a focus on fostering diversity factors, including but not limited to, skills and experience, gender, race, cultural background, ethnicity, nationality, sexual orientation or gender identity, ability, socio-economic status and veteran status in the board nomination process and in any assessment of board composition.

Principles

Diversity of thought is enhanced through intentional effort. The Company will be intentional in ensuring diversity, equity and inclusion and will pursue a well-rounded, diverse, and credible approach to ensuring board diversity.

The board values a diversity of voices and sees the value that they can contribute to creative and innovative thinking within the organization. To make sure the diversity strategy of the organization is viewed as a legitimate process, all appointments will be made on merit. However, the board acknowledges that there are many different skills and knowledge that will enhance the board and its decision-making and so understands that merit is relative to the particular needs of the board. The Company believes being transparent and public about the board diversity and inclusion strategy will hold the board accountable for implementation of this policy. The board will balance the intent of this policy with the need to be a voice for diversity in all of its forms.

Process

To achieve its diversity aspirations, the board will:

- Consider the balance of skills, experience, knowledge, perspectives, independence and characteristics in alignment with the strategic needs of the Company and the environment in which it operates
- identify candidates for appointment to the board, considering candidates on merit against objective criteria, and with due regard for the benefits of diversity, equity and inclusion in providing corporate oversight
- maintain an ongoing list of potential candidates
- pursue board member recruitment to deliver a gender-balanced slate of diverse and qualified potential candidates
- monitor and report annually, in the corporate governance section of the Company's proxy statement and on its website compliance with respect to this policy.

Policy Administration

The Board's Nominating and Governance Committee will be responsible for the annual review and administration of this policy.