

Frequently Asked Questions About Letters of Transmittal

1. What is a Letter of Transmittal?

A Letter of Transmittal is a form generally used for an exchange of stock and/or cash payment.

2. Why did I receive it?

The company in which you hold stock, Pensco Financial Services Corporation (“Pensco”), has merged into Peoples Financial Services Corp. (“Peoples”). You have been sent this form to complete and return along with your certificate(s) to effect the exchange of the stock you hold. You are entitled to receive 1.3636 shares of Peoples common stock in exchange for each share of Pensco common stock you own, rounded down to the nearest whole share. When properly delivered to the Exchange Agent, a Direct Registration Statement representing the appropriate number of Peoples shares will be issued. If the conversion of your Pensco shares would have resulted in a fractional share of Peoples, you will receive a check for the fractional share.

3. What do I have to fill out?

Please refer to the instructions on the reverse of the Letter of Transmittal. If the information listed on the Letter of Transmittal is correct, you need only the parts of the Letter of Transmittal to be filled out are:

- The signature(s) of the registered holder(s)
(Please be sure to sign your name(s) exactly as it/they appear in the registration on your certificate)
- Date
- Your telephone number
- Your email address (optional)

Also, you must complete the Substitute Form W-9 or you may be subject to backup withholding tax.

If there is a change in registration or the Letter of Transmittal information is wrong and you do not sure how to proceed, please call American Stock Transfer & Trust Company’s Shareholder Services Unit at 718-921-8317 or Toll-Free at 877-248-6417 for instructions.

4. What is the Substitute Form W-9 and why do I have to fill it out?

The Substitute Form W-9 is used to certify your Social Security number and is required by the IRS. If it is not completed, the IRS will require that American Stock Transfer & Trust Company deduct withholding tax at the applicable rate from whatever monies are due you. You should therefore fill in the spaces provided for name, address, and Social Security number, and then sign and date the form. Only one Social Security number and signature is needed in the case of joint accounts.

5. If I send in my certificates, I have no proof I owned these stocks. If something happens, then what?

We recommend you make copies of your certificate(s) and completed Letter of Transmittal. We also recommend sending them registered mail, return receipt requested, and insured for 3.0% of the market value (Minimum \$75.00). This is the amount that it commonly costs to replace a lost certificate(s). The address to which the certificate(s) and completed Letter of Transmittal should be sent is as follows:

By Hand, express mail, courier or other expedited service:

American Stock Transfer and Trust Company, LLC
Operations Center, Attn: Reorganization Department
6201 15th Avenue, Brooklyn, New York 11219

By mail:

American Stock Transfer and Trust Company, LLC
Operations Center, Attn: Reorganization Department
P.O. Box 2042, Brooklyn, New York 10272-2042

6. What happens if my certificate(s) is lost, stolen, destroyed or not accessible to me?

If you have lost or are not in possession of some or all of your certificate(s), you must write to American Stock Transfer and Trust Company at the address above or report the loss by accessing your account at <http://www.amstock.com>. You will be required to submit the necessary forms and a check for the posting of a surety bond, the details of which will be provided by American Stock Transfer and Trust Company. Please note that the Letter of Transmittal must still be completed and remitted along with your replacement forms, bond fee, and any additional certificates that may be in your possession.

7. Suppose I decide not to fill it out and return it with my certificates. What happens?

If you do not send in your certificates for the exchange, you may lose voting rights and any dividends or stock splits that are declared. You will also be holding certificates in a company that does not exist anymore and, depending on the escheatment laws of your state, your shares may eventually be considered abandoned property and turned over to the state.

8. I would prefer to sell my shares now, instead of going through the exchange.

Because the merger closed on November 30, 2013, your shares of Pensco common stock can no longer be sold. After the exchange is made, you can take your new certificates to a stockbroker in order to sell them.

9. Where can I call if I have more questions?

Please call American Stock Transfer & Trust Company's Shareholder Services Unit at 718-921-8317 or Toll-Free at 877-248-6417 during the hours of 8:00 a.m. to 8:00 p.m. Eastern Time Monday through Friday for further assistance.