Board Approval July 22, 2026
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Code of Conduct

This Code of Conduct sets forth the basic standards of behavior to guide all directors, officers, and employees of Peoples Financial Corporation and its wholly owned subsidiaries, The Peoples Bank and PFC Service Corp. Peoples Financial Corporation and its wholly owned subsidiaries will be referred to as "the Bank" hereafter. All of our directors, officers, and employees must conduct themselves in accordance with these principles and standards.

The mission of the Bank is to continue the legacy as an economic anchor for the communities we serve by providing financial options and banking solutions consistent with quality experiences for every customer, one customer at a time. In addition, the Bank will promote and require ethical conduct by directors, officers, and employees while providing banking services. This ethical conduct includes, but is not limited to, the following:

- Maintain honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide customers with information that is accurate, complete, objective, relevant, timely, and understandable.
- Comply with all applicable rules and regulations of federal, state, provincial, and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence, and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to customer's needs.
- Proactively promote ethical behavior as a responsible partner among peers, in the work environment and the community.
- Achieve responsible use of and control over all assets and resources employed or entrusted.
- All violations of this Code will be brought to the attention of the Board of Directors.
- Be accountable for adhering to this Code.

As a financial institution, the Bank is judged on the collective and individual actions of its directors, officers and employees. Each individual must manage their personal and business affairs so as to avoid situations that might lead to a conflict or even suspicion of a conflict between them and their duties to the Bank, its customers, and its shareholders. An individual's position must never be used, directly or indirectly, for private gain, to advance personal interest, or to obtain favors or benefits for themselves, family members, or anyone else.

[Family member is defined as an employee's spouse, child, stepchild, child-in-law, parent, parent-in-law, sibling, sibling-in-law, grandparent, grandparent-in-law, grandchild, grandchild-in-law, aunt, uncle, niece, nephew, or a significant other with whom the employee shares a household.]

The purpose of this code is to reiterate the high standard of conduct that is associated with ethical business practices and to identify areas and situations where public trust and confidence might be compromised, or a law violated, and to set forth guidelines governing such situations.

If you have a legal or ethical question about business you conduct for the Bank, consult with the Audit Department, who will take appropriate action.

One of the most critical responsibilities is to maintain the trust placed with us by our customers. Confidential information, whether obtained from those with whom the bank does business, or from sources within the Bank, must be safeguarded. Confidentiality is important regardless of the form the information takes, oral, in print, or on electronic media. You must take care in what is said, to whom, and where, about how memos are treated, files, reports, and the information displayed on computer screens.

Individuals are expected to be prudent in their personal borrowing, investments, business, and other activities to ensure that they do not put themselves in a position in which their personal interest, financial or other, might influence, or give the appearance of influencing any action they take, judgment they make, or advice they give on behalf of the Bank. The nature of the banking business makes it difficult to spell out every possible application of this broad general principle. There can be, however, no excuse for not bearing in mind the importance of avoiding conflicts of interest, in the handling of personal affairs and those of an individual's family. Failure in this can be as embarrassing for the Bank, as for the individual.

All individuals must disclose all potential conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships. This includes family members, customers, suppliers, business associates or competitors of the Bank. While these guidelines do not intend to interfere with the personal lives of employees and representatives, it requires those people to recognize situations where conflicts of interest may arise and to avoid them when possible. If these situations cannot be avoided, they must be reported in writing immediately to the Audit Department.

On an annual basis, all directors, executive officers and loan officers must provide a written report to the Board of Directors regarding related parties including information on personal investments, borrowings and business and personal relationships. Through this report, these parties must also affirm their understanding of and compliance with this Code of Conduct, especially those matters relating to conflicts of interest. These written reports will be maintained by the Audit Department.

All employees are encouraged to maintain their checking accounts at the Bank to allow the Bank to provide service and direct deposit of payroll checks. However, under no circumstances will the Bank pay a rate of interest in excess of the rate available to all customers. All applicable fees, including overdraft charges, will be assessed. At no time will overdraft fees be waived, unless the assessed fee was the result of a bank/system error. All employee accounts are subject to periodic audit review. Any unusual activity or account abuse that is identified, including excessive overdrafts, will be reported to Human Resources and may result in account closure. Additional details may be found in the Employee Handbook – Employment Policies & Procedures – Checking Accounts.

Individuals must not borrow, accept gifts, trips, entertainment, or favors from a customer, potential customer, supplier, or potential supplier of goods or services to the Bank, unless what is given is of nominal value and refusal to accept it would be discourteous or otherwise harmful to the Bank. Nominal value is considered to be anything below $125.

Exceptions to this may be made, however, under circumstances which make it clear that the underlying motivation is solely because of friendship or family relationships and not for, or in connection, with any transaction or business of the Bank. Any individual that is offered or receives something of value from a customer beyond what is authorized must provide a full written disclosure of all relevant facts which are consistent with the Bank Bribery Act, or any other law, should be reported to the Audit Department. The Audit Department will advise Senior Management, and a determination will be made to whether or not it is acceptable. A disclosure file will also be maintained.

Regulation O defines “insiders” as directors, executive officers, and principal shareholders. These people must take care that their conduct does not violate rules relating to self-dealing and personal gains. At no time are members of this group allowed to take advantage of their position in the Bank for personal profit or influence over credit and other decisions with regard to their business or personal interests. The Bank provides separate Regulation O guidelines and a bank trading policy, which are annually approved by the Board of Directors.

Directors, officers, and supervisors are prohibited from serving as the account officer for the accounts of family members as well as business associates in which there is a direct relationship.

All officers and employees are prohibited from solely executing account transactions (withdrawal, deposit, transfers, etc.) on accounts which they are signers unless the transactions are performed in a manner such as those utilized by typical bank customers. Any electronic or telephone transfer transactions must be executed by an individual who does not have signatory authority on that account. Note: Electronic transactions include online posting. Telephone / in-person transfer is a menu option in Silverlake (Jack Henry). Only certain employees have access to online posting. Those employees with online posting authority may never post to an account for which they have signatory authority. Employee account transactions, if handled solely by that employee, must be conducted through The Peoples Bank Internet Banking website. This will require enrollment by contacting the Bank’s Internet Banking Department. In addition, all officers and employees are also prohibited from solely executing any account transactions for any business or organization which they are affiliated with as well as any transactions on a family member’s account.

It has always been considered to be in the best interest of the Bank to grant credit accommodations to officers, directors and major stockholders of bank correspondents or affiliates to finance their personal needs. These loans must have the approval of Senior Management.

Directors and officers are prohibited from being involved in the loan approval process if they may benefit directly or indirectly from the decision to grant credit, including extensions of credit to family members.

Any extension of credit must be based on the credit worthiness of the individual borrower and must be subject to the application of the same credit principles customarily applied to any qualified borrower in determining the amount and repayment provisions of the loan and be priced at market rates duly reflective of the merits of the transaction. Where the individual borrower is an officer, director or major shareholder of a bank which maintains deposit balances with our Bank, any such extension of credit, including the rate or other terms of the credit, will in no event be conditioned, or the terms be established with reference to, the maintenance by the borrower’s bank of a specified level of deposit balances with our Bank.

A violation of the Bank's policy against preferential lending may constitute a violation of federal law, which now prohibits the Bank from extending credit on preferential terms to an executive officer, director, or major shareholder of a bank which maintains a correspondent account with our Bank or at which our Bank maintains a correspondent account.

Any interest which an individual, their spouse, or their relatives living in the household have in a business or a publicly held enterprise must be reported to the President and/or Senior Management if:

1. the enterprise is a substantial competitor of the Bank
2. the enterprise borrows from or has placed securities with the Bank
3. any part of the enterprise is a seller or supplier of securities, goods, or service to the Bank
4. the individual deals directly with the enterprise in its purchase or receipt of securities, goods, or services from the Bank.

Management believes it is important for every citizen to take an active interest in the governmental process. Officers are encouraged to keep themselves well informed concerning governmental issues and to take an active interest in all such matters. However, officers participating in political activities should do so as individuals and not as representatives of the Bank. Senior Management should be advised of all political participation, so as not to cause any potential problems for the Bank. To avoid any misinterpretation of sponsorship or endorsement, the Bank name should not be used in mailed material or fund collection, nor should the Bank be identified in any advertisement or literature. Officers are prohibited from consenting to or making political contributions or expenditures of any kind or nature, directly or indirectly, in connection with any election on behalf, or in the name of the Bank. This will not apply to donations made through recognized political action committees approved by the Bank.

In many cases, discussions with customers lead to a request that the officer make statements which may relate to the accounting, tax, or legal consequences of a proposed transaction. The Bank recognizes the exclusive authority of accountants and attorneys to provide their professional services. Officers regardless of professional designations and expertise should only provide banking services. Therefore, extreme care must be exercised in discussions with customers and employees; nothing should be said that might be interpreted as the giving of accounting, tax and/or legal advice.

As a matter of policy, officers and employees are not to recommend attorneys, accountants, insurance brokers or agents, stockbrokers, real estate agents and the like to customers unless, in every case, several names are given without indicating favoritism.

Competition with other financial institutions should be positive. Better service and friendly personal interest in the customer are far more effective and permanent than criticism of the competition. Derogatory remarks by employees about a competitor are contrary to the character of this institution and should be avoided.

As a publicly traded company, it is imperative that the Bank make complete, full, accurate, and timely disclosures as required by applicable Securities laws and regulations. Employees, officers, and directors are expected to provide necessary information to the appropriate internal parties and the Bank's certified public accountants to assure that all filings and releases are complete, accurate, and understandable.

All new employees will acknowledge an understanding and acceptance of the Bank's policy and procedures in this regard. Any changes in the Bank's code of conduct will be acknowledged by all employees and maintained by Compliance. Failure to comply with the guidelines herein described may result in termination of employment. The action taken will be commensurate with the seriousness of the conduct and an evaluation of the situation. All violations of these guidelines will be brought to the attention of the Board of Directors.

The conduct of each employee's business and private life should reflect credit on the Bank and fellow employees. A reputation for good morals, ethics, and integrity is within the reach of all, and a banker must remain above reproach. Ethical, moral and legal behavior are the responsibilities of the individual employee. This institution will not expect anyone in its employ to perform an act contrary to his or her ethical or moral standards or to any laws or regulations.

Additional details related to employee conduct, responsibilities and expectations may also be found in the Employee Handbook.