

PEOPLES BANCORP INC
Form 8-K
April 30, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 30, 2018 (April 26, 2018)

PEOPLES BANCORP INC.
(Exact name of Registrant as specified in its charter)

Ohio	0-16772	31-0987416
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

138 Putnam Street, PO Box 738	
Marietta, Ohio	45750-0738
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (740) 373-3155

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Approval of the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan

General

At the 2018 Annual Meeting of Shareholders (the “2018 Annual Meeting”) of Peoples Bancorp Inc. (“Peoples”) held on April 26, 2018, the shareholders of Peoples approved the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan (the “Third A&R 2006 Plan”). The Third A&R 2006 Plan amends and restates the Peoples Bancorp Inc. Second Amended and Restated 2006 Equity Plan (as previously amended, the “Second A&R 2006 Plan”) and became effective upon approval of the Third A&R 2006 Plan by Peoples’ shareholders at the 2018 Annual Meeting (the “Third Restatement Effective Date”)

The Third A&R 2006 Plan makes the following changes to the material terms of the Second A&R 2006 Plan:

Provides that the number of common shares of Peoples that may be issued under the Third A&R 2006 Plan after the Third Restatement Effective Date (the “Common Share Authorization”) will be 500,000 common shares plus (i) the number of common shares attributable to Awards that were outstanding under the Second A&R 2006 Plan immediately prior to the approval of the Third A&R 2006 Plan by Peoples’ shareholders and (ii) the number of common shares that were authorized to be issued under the Second A&R 2006 Plan immediately prior to the approval of the Third A&R 2006 Plan by Peoples’ shareholders but that were not subject to an outstanding Award immediately prior to such approval. Based on the number of common shares subject to outstanding Awards, and the number of common shares available for future grants of Awards, in each case under the Second A&R 2006 Plan as of April 26, 2018, the aggregate number of common shares of Peoples available under the Third A&R 2006 Plan (including common shares subject to outstanding Awards (214,522 common shares) and common shares that were authorized to be issued but that were not subject to outstanding Awards (176,818 common shares) is 891,340 common shares;

• Adds to the common shares that count against the Common Share Authorization:

- (i) the number of common shares tendered by a participant to satisfy the participant’s tax withholding obligations or to pay the option price of an Option or satisfy the exercise price of an SAR, as applicable; and
- (ii) the number of common shares withheld from any Option or any SAR to satisfy a participant’s tax withholding obligations or to pay the option price of such option or the exercise price of such SAR;

• Changes the maximum aggregate dollar value of, and the maximum number of common shares subject to, Awards of Restricted Stock and Performance Units that may be granted to any one Employee or any one Advisor with respect to a performance period or a restriction period to the lesser of \$550,000 or 100,000 common shares (from \$500,000 and 500,000 common shares) for each fiscal year included in such performance period or such restriction period;

• Reduces the maximum number of common shares subject to Options or SARs that may be granted to any one participant in any one fiscal year from 500,000 to 100,000;

• Adds an \$150,000 maximum aggregate dollar value limit with respect to Award(s) that may be granted to any one Non-Employee Director in any one fiscal year;

• Extends the termination date for the Third A&R 2006 Plan to the tenth anniversary of the Third Restatement Effective Date;

• Expands the list of performance criteria upon which performance goals relating to the payment or vesting of an Award may be based;

Clarifies the events that will be deemed to constitute a “change in control” for purposes of the Third A&R 2006 Plan; Allows the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Peoples or the full Board, as applicable, to approve a participant’s authorization to deduct or withhold a higher level of tax withholding than the minimum statutory total tax; Allows Peoples to clawback gains from Awards if certain financial restatements occur; Prohibits the transfer of Awards except by will or the laws of descent and distribution; and Clarifies that no dividends or dividend equivalent rights contained in an Award will be paid to the participant holding such Award until the restrictions on the related Award lapse and that any accrued dividends or dividend equivalent rights contained in an Award will be forfeited to the extent the participant forfeits the related Award.

The Third A&R 2006 Plan continues to make the following equity-based Awards available for grant to eligible participants in the Third A&R 2006 Plan:

- Incentive Stock Options;
- Nonqualified Stock Options (and together with Incentive Stock Options, “Options”);
- SARs;
- Restricted Stock;
- Restricted Performance Stock (and together with Restricted Stock, where appropriate “Restricted Stock”);
- unrestricted common shares; and
- Performance Units.

A description of the material terms of the Third A&R 2006 Plan was included in Peoples’ Proxy Statement for the 2018 Annual Meeting under the caption “PROPOSAL NUMBER 4: APPROVAL OF THE PEOPLES BANCORP INC. THIRD AMENDED AND RESTATED 2006 EQUITY PLAN”, as supplemented by the Supplement to Proxy Statement dated April 6, 2018, both of which descriptions are incorporated herein by reference. The following description of the Third A&R 2006 Plan is qualified in its entirety by reference to the actual provisions of the Third A&R 2006 Plan, the full text of which is included as Exhibit 10.1 to this Current Report on Form 8-K. All capitalized terms which are not defined in this summary are defined in the Third A&R 2006 Plan.

Effective Date and Expiration of the Third A&R 2006 Plan

The Third A&R 2006 Plan became effective on April 26, 2018, which is also referred to as the Third A&R Restatement Effective Date. Unless earlier terminated by the Board, the Third A&R 2006 Plan will terminate on the tenth anniversary of the Third Restatement Effective Date (i.e., on April 26, 2028). No Award may be made pursuant to the Third A&R 2006 Plan after its termination date, but Awards made prior to the termination date will remain in effect in accordance with their respective terms. In any event, no Incentive Stock Options may be granted after February 22, 2028.

Administration of the Third A&R 2006 Plan

The Third A&R 2006 Plan will continue to be administered by the Committee, which has the authority to grant Awards to Employees, Advisors and non-employee directors who are members of the board of directors of a subsidiary of Peoples but are not also members of the Peoples’ Board (“Subsidiary Directors”). The full Peoples Board has the authority to grant Awards to non-employee directors who are members of the Peoples Board (“Company Directors” and together with the Subsidiary Directors, “Non-Employee Directors”). The Committee, or the full Board, as the case may be, has the full power and authority to interpret and administer the Third A&R 2006 Plan and to establish and amend rules and regulations for the administration of the Third A&R 2006 Plan. Any action or decision by the Committee or the full Board, as the case may be, will be final, binding and conclusive with respect to the interpretation of the Third A&R 2006 Plan and any Award made under it.

Eligibility and Participation

All Employees, Advisors and Non-Employee Directors are eligible to participate in the Third A&R 2006 Plan. For purposes of the Third A&R 2006 Plan, an “Employee” means an individual who, on any applicable date, is a common law employee of Peoples or any of Peoples’ subsidiaries and an “Advisor” is an advisor who renders bona fide services to Peoples and/or one or more of Peoples’ subsidiaries as an advisory or marketing board member and who is neither an Employee nor a Non-Employee Director; provided that the services rendered are not provided in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the common shares of Peoples.

Employees may be granted Incentive Stock Options. Employees, Advisors and Non-Employee Directors may be granted Nonqualified Stock Options, SARs, Restricted Stock, Restricted Performance Stock, unrestricted common shares and Performance Units.

Common Shares Available Under the Third A&R 2006 Plan

Subject to certain adjustments as described below under “Adjustments,” the maximum number of common shares of Peoples that may be issued under the Third A&R 2006 Plan (the “Common Share Authorization”) is 500,000 common shares plus (i) the number of common shares attributable to Awards that were outstanding under the Second A&R 2006 Plan immediately prior to the approval of the Third A&R 2006 Plan by Peoples’ shareholders and (ii) the number of common shares that were authorized to be issued under the Second A&R 2006 Plan immediately prior to the approval of the Third A&R 2006 Plan by Peoples’ shareholders but that were not subject to an outstanding Award immediately prior to such approval. Based on the number of common shares subject to outstanding Awards, and the number of common shares available for future grants of Awards under the Second A&R 2006 Plan, in each case as of April 26, 2018, the aggregate number of common shares available under the Third A&R 2006 Plan (including common shares that were subject to outstanding Awards (214,522 common shares) and common shares that were authorized to be issued but that were not subject to outstanding Awards (176,818 common shares) is 891,340 common shares. The maximum number of common shares that may be issued subject to Incentive Stock Options under the Third A&R 2006 Plan is 500,000 common shares. The authorized common shares may consist of (i) common shares previously issued and outstanding and reacquired by Peoples or (ii) authorized but unissued common shares not reserved for any other purpose.

The following common shares will not be counted against the Common Share Authorization:

the common shares subject to an Award granted under the Third A&R 2006 Plan which Award for any reason on or after the Third Restatement Effective Date terminates by expiration, forfeiture, cancellation or otherwise without having been exercised or paid; and

the common shares withheld from any Award that is not an Option or an SAR or tendered by a participant to Peoples, in either case to satisfy a participant’s tax withholding obligations in connection with that Award.

The Common Share Authorization will have counted against it:

the number of common shares tendered by a participant to Peoples to satisfy the participant’s tax withholding obligations or to pay the option price of an Option or the exercise price of an SAR, as applicable;

the number of common shares withheld from any Option or any SAR to satisfy a participant’s tax withholding obligations or to pay the option price of such Option or satisfy the exercise price of such SAR;

if an SAR is settled in whole or in part by the issuance of common shares, the number of common shares which represents the difference between (i) the number of common shares which remain subject to such SAR on the date of such settlement and (ii) the number of common shares actually issued upon settlement of such SAR; and

the number of common shares subject to an Option which is equal to the number of common shares acquired by Peoples on the open market using the cash proceeds received by Peoples from the exercise of such Option; provided, however, that such number of common shares will in no event be greater than the number which is determined by dividing (i) the amount of cash proceeds received by Peoples from the participant upon the exercise of such Option by (ii) the fair market value of a common share on the date of exercise of such Option.

Limitation on Awards

In addition to the overall Common Share Authorization under the Third A&R 2006 Plan, the maximum number of common shares subject to Options or SARs that may be granted to any one participant in any one fiscal year of Peoples is 100,000, subject to adjustment under the terms of the Third A&R 2006 Plan as described below under “Adjustments.” The maximum aggregate dollar value of, and the maximum number of common shares subject to, Restricted Stock and Performance Units that may be granted to any one Employee or any one Advisor with respect to a performance period or a restriction period may not exceed the lesser of \$550,000 or 100,000 common shares (subject to adjustment under the terms of the Third A&R 2006 Plan as described below under “Adjustments”) for each fiscal year of Peoples included in such performance period or restriction period.

Options

Nonqualified Stock Options may be granted to any participant under the Third A&R 2006 Plan. Incentive Stock Options, however, may be granted only to Employees of Peoples or of any of Peoples’ subsidiaries as permitted under the applicable provisions of the Internal Revenue Code. Additionally, grants of Incentive Stock Options will be subject to the restrictions and conditions set forth in the relevant sections of the Internal Revenue Code, including the \$100,000 limitation on Incentive Stock Options first becoming exercisable in a calendar year and limitations for Employees possessing more than 10% of the total combined voting power of all classes of stock of Peoples or any of Peoples’ subsidiaries.

Options may be granted for terms of up to, but not exceeding, ten years from the date of grant. Each Option grant is to be evidenced by an award agreement that specifies whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option, the exercise price of the Option, the duration of the Option, the number of common shares to which the Option pertains, the conditions upon which the Option will vest and become exercisable, and such other provisions as the Committee or the Board, as applicable, determines.

The Committee or the Board, as applicable, will determine the exercise price of each Option (the “option price”); however, the option price must be at least equal to 100% of the fair market value of the underlying common shares on the grant date. The Committee or the Board, without shareholder approval, may not reduce the option price, cancel an outstanding Option in exchange for an Option with an option price that is less than the option price of the original Option or cancel an outstanding Option with an option price which is above the current fair market value of a common share in exchange for cash or other securities.

Once an Option vests, the Option may be exercised at any time during the term of the Option in such manner as specified in the award agreement. The option price of any Option must be paid in full at the time of exercise (i) in cash; (ii) in previously acquired common shares having a fair market value equal to the option price on the date of exercise (or the immediately preceding date if the date of exercise is not a trading day); (iii) in a combination of cash and common shares; or (iv) by a cashless (broker-assisted) exercise.

SARs

The Committee may award SARs to any participant under the Third A&R 2006 Plan other than Company Directors. The Board has the authority to grant SARs to Company Directors. Each SAR represents the right to receive payment of an amount equal to (i) the amount by which the fair market value of one common share on the date of exercise of the SAR exceeds the exercise price of the SAR (the “exercise price”), multiplied by (ii) the number of common shares covered by the SAR.

Each SAR granted under the Third A&R 2006 Plan will be subject to the terms and conditions prescribed by the Committee or the Board, as applicable, in an award agreement, which will specify the exercise price, the term of the SAR and such other provisions as the Committee or the Board determines. The exercise price for each SAR will be determined by the Committee or Board, as applicable, but must be at least equal to 100% of the fair market value of a common share on the date of grant. The Committee or the Board may prescribe conditions and limitations on the exercise of any SAR. At the discretion of the Committee or the Board, the payment upon the exercise of an SAR may be made in cash, common shares or a combination of the two, or in any other manner set forth in the award agreement. Each SAR will expire on the date set by the Committee or the Board, as applicable, at the time of the grant, provided that the term of each SAR may not be more than ten years. To the extent not previously exercised, all SARs will automatically be exercised on the last trading day prior to their expiration, so long as the fair market value of a common share on that date exceeds the exercise price, unless prior to that date, the participant gives proper and timely notice to the contrary to Peoples. The Committee or the Board, without shareholder approval, may not reduce the exercise price, cancel an outstanding SAR in exchange for an SAR with an exercise price that is less than the exercise price of the original SAR or cancel an outstanding SAR with an exercise price which is above the current fair market value of a common share in exchange for cash or other securities.

Restricted Stock and Restricted Performance Stock

The Committee may award Restricted Stock and/or Restricted Performance Stock to any participant under the Third A&R 2006 Plan other than Company Directors. The Board has the authority to grant Restricted Stock and/or Restricted Performance Stock to Company Directors.

An award of Restricted Stock granted under the Third A&R 2006 Plan will be subject to the terms and conditions prescribed by the Committee or the Board, as applicable, in an award agreement. Each award agreement will specify the restriction period(s), the number of common shares covered by the Restricted Stock Award, and such other provisions as the Committee or the Board determines. Among other things, the Committee or the Board may impose different restriction periods for each Restricted Stock Award or conditions upon the Award including the attainment of performance goals (making the Award a grant of Restricted Performance Stock).

Unless otherwise determined by the Committee or the Board and set forth in a participant's award agreement, the participant will be entitled to receive dividends during the restriction period, will have the right to vote such Restricted Stock and will have all other shareholder rights, except that (i) in the case of Restricted Stock, dividends otherwise payable in connection with common shares underlying any Restricted Stock Award will be accrued and paid to the participant at the same time as the restrictions on the Restricted Stock lapse, if at all; (ii) in the case of Restricted Performance Stock, dividends which would otherwise be received during the restriction period will be accrued and paid to the participant in the same proportion and at the same time as the underlying Restricted Performance Stock vests, if at all; (iii) if any dividends are paid in common shares, those common shares will be subject to the same restrictions as the common shares underlying the Restricted Stock with respect to which they were issued; (iv) the participant will not be entitled to delivery of any stock certificate evidencing the common shares underlying the Restricted Stock during the restriction period; (v) Peoples will retain custody of the Restricted Stock during the restriction period; and (vi) a breach of a restriction or a breach of the terms and conditions established by the Committee or the Board pursuant to the Restricted Stock Award will cause a forfeiture of the Restricted Stock Award. Under the Third A&R 2006 Plan, the term "Restricted Performance Stock" means common shares subject to performance goals and grants of Restricted Performance Stock are subject to the same terms and conditions specified for grants of Restricted Stock.

Unrestricted Common Shares

The Committee may grant unrestricted common shares to any participant under the Third A&R 2006 Plan other than Company Directors on such terms and conditions as the Committee determines. The Board has the same authority to grant unrestricted common shares to Company Directors.

Performance Units

The Committee may grant Performance Units to any participant under the Third A&R 2006 Plan other than Company Directors. The Board has the same authority to grant Performance Units to Company Directors.

Each Performance Unit represents the right of a participant to receive an amount equal to the value of the Performance Unit, established by the Committee or the Board at the time the Award is granted. The Committee or the Board will determine the maximum dollar value of each Performance Unit and, in the discretion of the Committee or the Board, the measure of a Performance Unit may be equal to the fair market value of one common share.

In each award agreement, the Committee or the Board, as appropriate, will establish (i) the performance period during which performance will be measured and (ii) the performance goals for a participant for a particular performance period based upon various performance measures (described below under “General Performance Goals”). Further, the Committee or the Board will set performance goals in its discretion which will, depending on the extent to which they are met, determine the value and/ or number of Performance Units that will be paid out to the participant.

After the applicable performance period has ended, the holder of Performance Units will be entitled to receive payout on the value and number of Performance Units earned during such performance period to the extent performance goals have been met. Awards may be paid in cash or common shares, or any combination of the two, as determined by the Committee or the Board. Payment may be made in a lump sum or in installments and will be subject to such other terms and conditions as the Committee or the Board determines.

General Performance Goals

The performance goals, upon which the payment or vesting of an Award that is intended to qualify as “performance-based compensation” under Section 162(m) of the Internal Revenue Code may be based, are limited to the following performance measures:

- earnings per share (actual or targeted growth);
 - net income after capital costs;
 - net income (before or after taxes);
 - return measures (including, but not limited to, return on average assets, risk-adjusted return on capital, return on average equity, pre-provision net revenue, or return on tangible common equity);
 - efficiency ratio;
 - full-time equivalency control;
 - stock price (including, but not limited to, growth measures, share price appreciation, or total shareholder return);
 - non-interest income compared to net interest income ratio;
 - expense targets (including, but not limited to, reduction in or maintenance of non-interest expense);
 - operating efficiency;
 - economic value added or EVA(R);
 - credit quality measures;
 - customer satisfaction measures;
 - loan growth;
 - deposit growth;
 - net interest margin;
-

fee income;
operating expense;
balance sheet measures including assets, loans, charge-offs, loan loss reserves, non-performing assets, deposits, asset quality levels, and investments;
balance sheet management;
fair market value of the common shares of Peoples;
interest income;
investment management;
maintenance or improvement of net interest income;
market capitalization;
market share;
non-interest income growth;
pretax income;
productivity ratios;
reduction or maintenance in non-interest expense;
revenues;
risk management measures including interest-sensitivity gap levels, regulatory compliance, satisfactory internal or external audits, and financial ratings;
shareholder returns;
share price appreciation; and
tangible common equity.

For Awards not intended to qualify as “performance-based compensation” under Section 162(m) of the Internal Revenue Code, the Committee or the Board may establish performance goals based upon any of the performance measures described above or upon any other performance criteria the Committee or the Board deems appropriate.

In either case, the Committee or the Board must establish performance goals in writing for each performance period no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the expiration of 25% of the performance period. Except as otherwise provided in the Third A&R 2006 Plan or an award agreement, as of the end of each performance period, the Committee or the Board must certify in writing the extent to which a participant has or has not met the participant’s performance goal(s). To the extent consistent with Section 162(m) of the Internal Revenue Code, if applicable, performance goals may be calculated without regard to extraordinary items or adjusted, as the Committee or the Board deems equitable, in recognition of unusual or non-recurring events affecting Peoples and/or one of Peoples’ subsidiaries or changes in applicable tax laws or accounting principles.

Additionally, to the extent permitted by Section 162(m) of the Internal Revenue Code, if applicable, the Committee or the Board, as appropriate, must make (i) appropriate adjustments to performance criteria to reflect the effect on any performance criteria of any stock dividend or stock split affecting the common shares of Peoples, recapitalization, merger, consolidation, combination, spin-off, distribution of assets to shareholders, exchange of shares or similar corporate change and (ii) similar adjustments to any portion of performance criteria that is not based on common shares but which is affected by an event having an effect similar to those just described.

Furthermore, any of the performance measures described above may be used to measure performance with respect to solely Peoples and/or any of Peoples’ subsidiaries, or relatively between Peoples and/or any subsidiary of Peoples and one or more unrelated entities. In addition, the Committee or the Board, as appropriate, can apply different performance measures to different participants or groups of participants, and to results achieved by solely Peoples or any of Peoples’ subsidiaries, a combination of the two, or any combination of business units or divisions of Peoples and Peoples’ subsidiaries.

Change in Control

Under the Third A&R 2006 Plan, “change in control” means a change in the ownership or effective control of Peoples or in the ownership of a substantial portion of the assets of Peoples (within the meaning of Section 409A of the Internal Revenue Code). The Third A&R 2006 Plan clarifies that a “change in control” means:

- a change in the ownership of Peoples where one person, or more than one person acting as a group (as determined under the terms of the Third A&R 2006 Plan), acquires ownership of more than 50% of Peoples’ stock, measured based on the total fair market value or total voting power of Peoples’ stock;
- a change in the effective control of Peoples where one person, or more than one person acting as a group, acquires ownership of more than 30% of the total voting power of Peoples’ stock;
- a change in the members of the Board, where a majority of Peoples’ directors are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or
- a change in the ownership of more than 40% of the total gross fair market value of all of the assets of Peoples immediately before such acquisition or acquisitions.

In the event of a change in control where the surviving entity is not Peoples and the surviving entity (the “Acquiror”) does not assume or substitute equivalent Awards for outstanding grants of Options, SARs, Restricted Stock, Restricted Performance Stock or Performance Units, all outstanding Options and SARs will become immediately and fully exercisable and, in the case of Restricted Stock (other than Restricted Performance Stock), all outstanding Awards will become immediately and fully vested. In the case of Restricted Performance Stock and Performance Units, the target payout opportunities under all outstanding Awards will be deemed to have been fully earned based on the target level of performance being attained as of the effective date of the change in control. Additionally, the Board or its designee may, in its sole discretion, provide for a cash payment to be made to each participant for the outstanding Restricted Stock, Restricted Performance Stock or Performance Units upon the consummation of the change in control, determined on the basis of the fair market value that would be received in such change in control by the holders of Peoples’ securities relating to such Awards. Notwithstanding the foregoing, any Option intended to qualify as an Incentive Stock Option under Section 422 of the Internal Revenue Code will be adjusted in a manner to preserve such status.

In the event of a change in control where Peoples is the surviving entity, or the Acquiror assumes the outstanding Options, SARs, Restricted Stock, Restricted Performance Stock or Performance Units or substitutes equivalent equity awards relating to the securities of such Acquiror or its affiliates, then all outstanding Awards or substitutes will remain outstanding and be governed by their respective terms and the provisions of the Third A&R 2006 Plan. In such a change in control scenario:

if a participant is terminated without Cause or the participant terminates for Good Reason within 24 months following the change in control, and Peoples is the surviving corporation or the Acquiror has assumed the outstanding Awards, then all of the participant’s outstanding Options and SARs or substituted equivalent equity awards will become immediately and fully exercisable and, in the case of Restricted Stock (other than Restricted Performance Stock Awards), all outstanding Awards will become immediately and fully vested. In the case of Restricted Performance Stock and Performance Units, the target payout opportunities under all of the participant’s outstanding Awards will be deemed to have been fully earned based on the target level of performance being attained. In the case of outstanding Options or SARs, the participant may exercise these Options or SARs at any time within one year after such termination, except that an Option or SAR will not be exercisable on any date beyond the expiration date of such Option or SAR. If the participant dies after such termination, the exercisability of all outstanding Options or SARs will be treated in the same manner as that provided for a termination due to Retirement (as further described below in “Termination”); and

if a participant is terminated for Cause within 24 months following such change in control and Peoples is the surviving corporation or the Acquiror has assumed the outstanding Awards, then any outstanding Options or SARs of such participant will expire, any non-vested outstanding Restricted Stock,

Restricted Performance Stock or Performance Units will be forfeited, and all rights under all such outstanding Awards will terminate immediately.

Peoples does not have the power to amend or terminate any provision regarding the effect of a change in control if any such amendment or termination would adversely affect the rights of any participant under the Third A&R 2006 Plan.

Tax Withholding

Peoples has the power and the right to deduct or withhold, or require a participant to remit to Peoples, the minimum statutory amount to satisfy federal, state and local taxes required by law or regulation to be withheld with respect to any taxable event arising as a result of the Third A&R 2006 Plan. With respect to withholding required upon any taxable event arising as a result of an Award granted under the Third A&R 2006 Plan, a participant may elect, subject to the approval of the Committee or the Board, as appropriate, to satisfy the withholding requirement, in whole or in part, by having Peoples withhold common shares having a fair market value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections will be irrevocable, must be made in writing and signed by the participant, and will be subject to any restrictions or limitations that the Committee or the Board, as applicable, in its sole discretion, deems appropriate. However, the Committee or the Board, as applicable, may approve a participant's authorization to deduct or withhold a higher level of tax withholding than the minimum statutory total tax.

Termination

Subject to the provisions of individual award agreements, the following summarizes the effect of various termination events on Awards to participants in the Third A&R 2006 Plan:

Termination due to death: Unless otherwise provided by the Committee, all outstanding Options, SARs and Restricted Stock not subject to performance goals will vest and, if applicable, become exercisable; a portion of the Options, SARs and Restricted Stock subject to performance goals, determined by multiplying the number of common shares subject to such Options, SARs and Restricted Stock by a fraction, the numerator of which is the number of whole months elapsed during the performance period prior to the participant's death, and the denominator of which is the number of months in the performance period, will immediately vest; and any SARs and any Options that are then, or become, exercisable (and have not yet been exercised) may be exercised by the participant's personal representative at any time before the earlier of (i) one year after the participant's death, or (ii) the expiration date of the Award.

Termination due to Disability or Retirement: Unless otherwise provided by the Committee, all outstanding unvested Options, SARs and Restricted Stock will become fully vested and, if applicable, exercisable at the time and under the conditions, including attainment of the performance goals, as such Options, SARs and Restricted Stock would otherwise vest and become exercisable pursuant to the terms of the award agreement; and any Options and SARs that are exercisable at the time of the participant's termination or become exercisable at that time (and have not yet been exercised) may be exercised at any time before the earlier of (i) one year after the date such Option or SAR became vested, or (ii) the expiration date of the Award. However, an Option which is intended to qualify as an Incentive Stock Option will only be treated as such to the extent it complies with the requirements of Section 422 of the Internal Revenue Code.

Termination due to any reason other than death, Disability, discharge for Cause, or Retirement: Any outstanding Options or SARs may be exercised at any time within three months after such termination up to the number of common shares covered by the portion of such Options or SARs which is exercisable (and has not yet been exercised) at the date of such termination. However, no Option or SAR will be exercisable after the expiration date of such Option or SAR. Any other Awards that are not vested on the date of termination will immediately terminate and be of no further force or effect.

Termination for Cause: Any Options or SARs, whether or not then exercisable, will expire and any rights thereunder will terminate immediately, and any non-vested Restricted Stock Awards will immediately be forfeited and any rights thereunder will terminate.

Termination due to Retirement, but participant dies with one year of such Retirement and before the exercise of all of the participant's outstanding Options or SARs: Such Options or SARs may be exercised by the participant's personal representative at any time before the earlier of (i) one year after the participant's death or (ii) the expiration date of the Award. However, an Option which is intended to qualify as an Incentive Stock Option will only be treated as such to the extent it complies with the requirements of Section 422 of the Internal Revenue Code.

Termination at any time during an applicable performance period: Awards of Performance Units will terminate for all purposes, except as may otherwise be determined by the Committee.

Termination at any time following the end of an applicable performance period, but prior to full payment: Awards of Performance Units will terminate except when the termination is due to death, Disability or Retirement or as may otherwise be determined by the Committee.

Adjustments

In the event of any reorganization, recapitalization, reclassification, stock split, stock dividend, distribution, combination of shares, merger, consolidation, rights offering, or any other change in the corporate structure or shares of Peoples, appropriate adjustments will be made by the Committee or the Board, as the case may be, (or if Peoples is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) in the aggregate number and kind of shares subject to the Third A&R 2006 Plan, the number and kind of shares and the option price per share subject to outstanding Option or the exercise price per share subject to outstanding SARs or the number and kind of shares which may be issued under outstanding Restricted Stock Awards or pursuant to Awards of unrestricted common shares.

Subject to the provisions of the Third A&R 2006 Plan, appropriate adjustments will also be made by the Committee or the Board, as the case may be, in the terms of any Awards to reflect such changes and to modify any other terms of outstanding Awards on an equitable basis. Any such adjustments made by the Committee or the Board will be conclusive and binding for all purposes under the Third A&R 2006 Plan.

All adjustments will be made consistent with the requirements of Section 409A of the Code, to the extent applicable.

Clawback

Any Award which is subject to recovery under any law, governmental regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, governmental regulation or stock exchange listing requirement (or any policy adopted by Peoples whether or not such adoption was pursuant to such law, governmental regulation or stock exchange listing requirement). The Third A&R 2006 Plan clarifies that Peoples may clawback gains from Awards if certain financial restatements occur.

Limitations on Transferability of Awards

During a participant's lifetime, any Award held by the participant may be exercised only by the participant or any guardian or legal representative of the participant. In addition, Awards are not transferable except by will or the laws of descent and distribution.

Amendment, Suspension and Termination of the Third A&R 2006 Plan

The Board, in its discretion, may suspend or terminate the Third A&R 2006 Plan or any portion of the Third A&R 2006 Plan at any time and may amend the Third A&R 2006 Plan from time to time as needed (i) in order that any Awards thereunder conform to any change in applicable laws or regulations, or (ii) in any other

respect deemed by the Board to be in the best interests of Peoples. No termination, amendment or suspension of the Third A&R 2006 Plan by the Board may adversely affect in any material way any outstanding Options, SARs, Restricted Stock Awards or Performance Units without the consent of the affected participant.

Without shareholder approval, no amendment may: (i) increase the number of common shares which may be issued under the Third A&R 2006 Plan (except as provided above in “Adjustments”); (ii) expand the types of awards available to participants under the Third A&R 2006 Plan; (iii) materially expand the class of employees and/or advisors eligible to participate in the Third A&R 2006 Plan; (iv) materially change the method of determining the option price of Options or the exercise price of SARs; (v) delete or limit the provisions of the Third A&R 2006 Plan prohibiting the repricing of Options and SARs; or (vi) extend the termination date of the Third A&R 2006 Plan. Additionally, to the extent that shareholder approval is required to satisfy applicable laws, regulations or standards of any stock exchange on which the common shares of Peoples are listed, such amendment may be made without the requisite approval.

The Committee may amend or modify any outstanding Options, SARs, Restricted Stock Awards or Performance Unit Awards in any manner to the extent that the Third A&R 2006 Plan has provided the initial authority to the Committee to grant such Awards as so modified or amended.

Item 5.07 Submission of Matters to a Vote of Security Holders

On April 26, 2018, Peoples Bancorp Inc. (“Peoples”) held its 2018 Annual Meeting of Shareholders (the “Annual Meeting”) at Peoples' corporate headquarters located in Marietta, Ohio, with 14,941,341 (81.36%) of the 18,364,088 common shares outstanding and entitled to vote on the February 26, 2018 record date represented in person or by proxy.

Three directors of Peoples were elected to serve terms of three years each (expiring in 2021): George W. Broughton, Charles W. Sulerzyski and Terry T. Sweet. Other directors of Peoples who continue to serve after the Annual Meeting include Tara M. Abraham, S. Craig Beam, David F. Dierker, James S. Huggins, Brooke W. James, David L. Mead and Susan D. Rector.

The following is a summary of the voting results:

Nominee	For	Withheld	Abstentions	Broker Non-Votes
George W. Broughton	11,973,511	419,243	not applicable	2,548,587
Charles W. Sulerzyski	12,006,057	386,697	not applicable	2,548,587
Terry T. Sweet	12,059,601	333,153	not applicable	2,548,587

Also at the Annual Meeting, Peoples' shareholders: (1) approved, in a non-binding advisory vote, the compensation of Peoples' named executive officers as disclosed in Peoples' proxy statement for the Annual Meeting; (2) advised, in a non-binding advisory vote, that the frequency of shareholder votes on the compensation of Peoples' named executive officers should occur every year; (3) approved the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan; (4) adopted an amendment to Section 2.02 of Peoples' Code of Regulations in order to provide for the annual election of directors commencing with the election of directors at Peoples' 2019 Annual Meeting of Shareholders; and (5) ratified the appointment of Ernst & Young LLP as Peoples' independent registered public accounting firm for the fiscal year ending December 31, 2018. The following is a summary of the voting results:

Proposal	For	Against	Abstentions	Broker Non-Votes	
Non-binding advisory vote on executive compensation	11,954,211	347,429	91,114	2,548,587	
Proposal	Every 1 year	Every 2 years	Every 3 years	Abstentions	Broker Non-Votes
Non-binding advisory vote on executive compensation	10,572,698	171,061	1,539,067	109,928	2,548,587

Proposal	For	Against	Abstentions	Broker Non-Votes
Approval of the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan	11,707,271	554,265	131,218	2,548,587
Proposal	For	Against	Abstentions	Broker Non-Votes
Adoption of Amendment to Section 2.02 of Peoples' Code of Regulations	12,179,561	127,893	85,300	2,548,587
Proposal	For	Against	Abstentions	Broker Non-Votes
Ratification of the appointment of independent registered public accounting firm	14,668,375	231,119	41,846	—

Based on the voting results above, with respect to the advisory vote on the frequency of future advisory votes on named executive officer compensation, the Board of Directors of Peoples determined on April 26, 2018 that Peoples will submit an advisory vote to shareholders on an annual basis to approve the compensation of Peoples' named executive officers as set forth in its proxy statement for the year.

Item 9.01 Financial Statements and Exhibits

a) - c)

Not applicable.

d) Exhibits

See Index to Exhibits below.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PEOPLES BANCORP INC.

Date: April 30, 2018 By: /s/ CHARLES W. SULERZYSKI
Charles W. Sulerzyski

President,
Chief Executive Officer and Director

INDEX TO EXHIBITS

Exhibit Number	Description
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<u>99</u>	Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan
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