

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Codorus Valley Bancorp, Inc.		2 Issuer's employer identification number (EIN) 23-2428543	
3 Name of contact for additional information Charles T. Field	4 Telephone No. of contact 717-747-1502	5 Email address of contact cfield@peoplesbanknet.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 105 Leader Heights Road		7 City, town, or post office, state, and ZIP code of contact York PA 17403	
8 Date of action December 12, 2017		9 Classification and description 5% Stock Dividend Paid to Shareholders of Record as of close of business October 24, 2017	
10 CUSIP number 192025104	11 Serial number(s)	12 Ticker symbol CVLY	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 10, 2017, the Board of Directors of Codorus Valley Bancorp, Inc. declared a 5% common stock dividend, payable on December 12, 2017, to common shareholders of record at the close of business on October 24, 2017.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The number of shares owned should be increased by 5% and the cost basis for each share should be decreased by 5%. Fractional shares are only issued on shares that were purchased through the Dividend Reinvestment and Stock Purchase Plan. Cash in lieu of fractional shares was paid to shareholders at \$32.30 per share and reported on a Form 1099-B in 2017.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **see number 15 above**

