

CNB FINANCIAL CORP/PA  
Form DEF 14A  
March 17, 2015

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

**SCHEDULE 14A**  
**(Rule 14A-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14(a)-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to d240.14a-12

**CNB Financial Corporation**

**(Exact Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(I) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

P.O. Box 42

Clearfield, PA 16830

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of CNB FINANCIAL CORPORATION will be held at the Lock Haven University, Clearfield Campus, 201 University Drive, Clearfield, PA 16830 on Tuesday, April 21, 2015, at 2:00 P.M. for the following purposes:

1. **ELECTION OF DIRECTORS:** To elect four Class 3 directors to serve until the Annual Meeting in the year 2018 or until their respective successors are elected and qualified.
2. **SAY-ON-PAY VOTE:** To vote on a non-binding advisory resolution on the compensation program for CNB Financial Corporation's named executive officers, as disclosed in the Compensation Discussion and Analysis section of the Proxy Statement (a say-on-pay vote).
3. **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM:** To ratify the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the year ending December 31, 2015.
4. **TRANSACTION OF OTHER BUSINESS:** To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors fixed March 2, 2015, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting. Only shareholders of record at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

The Annual Report on Form 10-K for the year ended December 31, 2014, the Annual Report Highlights, and the Proxy Statement and form of proxy for the meeting are enclosed.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING. YOU ARE URGED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. PLEASE RETURN THE PROXY CARD AS PROMPTLY AS POSSIBLE. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF PROPOSALS ONE, TWO AND THREE DESCRIBED ABOVE. YOU MAY WITHDRAW YOUR PROXY AT ANY TIME BEFORE IT IS VOTED BY SO NOTIFYING THE SECRETARY AND VOTE YOUR SHARES IN PERSON.

By Order of the Board of Directors,

/s/ Richard L. Greslick, Jr.

Richard L. Greslick, Jr., Secretary

Clearfield, Pennsylvania

March 17, 2015

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held April 21, 2015. This Proxy Statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and our 2014 Annual Report are available free of charge on the Investor Relations section of our website ([www.bankcnb.com](http://www.bankcnb.com)).**

**CNB FINANCIAL CORPORATION**

**1 SOUTH SECOND STREET**

**CLEARFIELD, PA 16830-0042**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS TO BE HELD**

**TUESDAY, APRIL 21, 2015, 2:00 p.m.**

**General Information**

This Proxy Statement is furnished to shareholders of CNB Financial Corporation (the Corporation or the Holding Company ) in connection with the solicitation of proxies on behalf of the Board of Directors of the Corporation for use at the Annual Meeting of Shareholders to be held on Tuesday, April 21, 2015 at 2:00 p.m.

The Corporation a Pennsylvania business corporation and a financial holding company registered with the Federal Reserve Board and has its principal offices at CNB Bank, Clearfield, Pennsylvania 16830. The subsidiaries of the Corporation are CNB Bank (the Bank ), CNB Securities Corporation, Holiday Financial Services Corporation, County Reinsurance Company and CNB Insurance Agency.

Unless otherwise directed, proxies solicited hereby will be voted FOR the election as directors of the nominees named under the caption: Proposal 1. Election of Directors , FOR the compensation of our named executive officers, and FOR ratification of the appointment of our independent registered public accounting firm for the year 2015. The Board of Directors is not aware of any other matters which will be presented for action at the meeting, but the persons named in the proxies intend to vote or act according to their discretion with respect to any other proposal which may be presented for shareholder action.

**Solicitation**

The enclosed proxy is being solicited by the Board of Directors of the Corporation. The cost of preparing, assembling and mailing the notice of annual meeting, proxy statement and form of proxy is to be borne by the Corporation. In addition to the solicitation of proxies by use of mail, directors, officers or other employees of the Corporation may solicit proxies personally or by telephone and the Corporation may request certain persons holding stock in their names or in the names of their nominees to obtain proxies from and send proxy material to the principals and will reimburse such persons for their expenses in so doing. Directors, officers, or other employees so utilized will not receive special compensation for such efforts. The date on which this Proxy Statement and the accompanying form of proxy was first mailed to shareholders was March 17, 2015.

**Quorum; Voting**

A quorum for the transaction of business at the annual meeting will require the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting. Abstentions are counted as shares present for determination of a quorum but are not counted as affirmative or negative votes and are not counted in determining the number of votes cast on any matter. Director nominees with the highest number of votes will be elected. The affirmative vote of a majority of the votes cast by all shareholders entitled to vote on the matter is required for the approval of all other matters. Shareholders have one vote for each share held.

**Revocation of Proxies**

The enclosed proxy is revocable at any time prior to the actual voting of such proxy by the filing of a written notice revoking it, or a duly executed proxy bearing a later date, with Richard L. Greslick, Jr., the Secretary of the Corporation. In the event your proxy is mailed and you attend the meeting, you have the right to revoke your proxy and cast your vote personally. All properly executed proxies delivered to us pursuant to this solicitation will be voted at the meeting in accordance with your instructions, if any.

**Eligibility to Vote; Record Date**

The securities that can be voted at the annual meeting consist of shares of common stock of the Corporation with each share entitling its owner to one vote on all matters properly presented at the meeting. There is no cumulative voting of shares. The Board of Directors has fixed the close of business on March 2, 2015 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. On the record date, there were 14,451,434 shares of common stock then outstanding and eligible to be voted at the annual meeting. As of that date, all executive officers and directors of the Corporation as a group (19 persons) beneficially owned 871,290 shares, or 6.0%, of the total number of outstanding shares.

## Procedures

If your common stock is held by a broker, bank or other nominee (i.e. in street name ), you should receive instructions from that person or entity that you must follow in order to have your shares of common stock voted. If you hold your shares in your own name and not through a broker or other nominee, you may vote your shares by:

signing, dating and mailing the proxy card in the enclosed postage-paid envelope, or

attending the annual meeting and voting in person.

Whichever of these methods you select to transmit your instructions, the proxy holders will vote your shares in accordance with your instructions. If you give a proxy without specific voting instructions, your proxy will be voted by the proxy holders as recommended by the Board of Directors.

Under current New York Stock Exchange ( NYSE ) rules, which govern NYSE brokerage members, the proposal to ratify the appointment of independent auditors (Proposal 3) is considered a discretionary item. This means that brokerage firms may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions in accordance with NYSE rules. In contrast, the proposals to elect directors (Proposal 1) and the proposal relating to say-on-pay (Proposal 2) are non-discretionary items. This means brokerage firms that have not received voting instructions from their clients on these matters may not vote on these proposals. These so-called broker non-votes will not be considered in determining the number of votes necessary for approval and, therefore, will have no effect on the outcome of the vote for these proposals.

## Obtaining an Annual Report on Form 10-K

The Corporation is required to file an annual report on Form 10-K for the 2014 fiscal year with the Securities and Exchange Commission ( SEC ). Shareholders may obtain, free of charge, a copy of the Form 10-K by writing to Richard L. Greslick, Jr., Secretary, CNB Financial Corporation, P.O. Box 42, Clearfield, Pennsylvania 16830. Our annual report is also available free of charge on the Investor Relations section of our website ([www.bankcnb.com](http://www.bankcnb.com)).



## PROPOSAL 1. ELECTION OF DIRECTORS

The Bylaws of the Corporation provide that the Board of Directors shall consist of not less than nine nor more than twenty-four persons. The Board of Directors has acted to fix the number of directors for the ensuing year at thirteen.

The Bylaws further provide that the Board shall be classified into three classes with each class consisting of not less than three nor more than eight directors. The Board of Directors has elected to fix the number of directors in each class at four, except that class 2 is fixed at five. One class of directors is to be elected annually for a three-year term. The four nominees named below are nominated to serve as Class 3 directors to hold office for a three year term expiring at the third succeeding annual meeting (in the year 2018). The persons named in the enclosed proxy will vote FOR the election of the nominees named below unless authority to do so is withheld. Each nominee has consented to be named as a nominee and has agreed to serve if elected. If, for any reason, any of the nominees named below should become unavailable to serve, the enclosed proxy will be voted for the remaining nominees and such other person or persons as the Board of Directors may select among those recommended by the Corporate Governance/Nominating Committee.

### Information as to Nominees and Other Directors

The following tables set forth the names of the nominees for election as directors and the current directors of the Corporation. Also set forth in the tables is certain other information with respect to each such person's age at December 31, 2014, the periods during which such person has served as a director of the Corporation and positions currently held with the Corporation.

Following the tables are biographies of each of the nominees and continuing directors which contain information regarding each such person's business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Corporate Governance/Nominating Committee and the Board of Directors to determine that such person should serve as a director as of the time of filing of this Proxy Statement. Each director brings a strong and unique background and set of skills to the Board, giving the Board as a whole competence and experience in a wide variety of areas, including corporate governance, board service, executive management, business, finance and marketing. Independent directors are those who, in the Board of Directors judgment, meet the standards for independence as required by NASDAQ.

### NOMINEES: Four Class 3 directors for three year terms expiring at the time of the annual meeting in 2018.

| Name                 | Age at<br>December 31, 2014 | Business Experience<br>(Past Five Years)      | Positions<br>Held at CNB                      | Director<br>Since |
|----------------------|-----------------------------|---|---|-------------------|
| Joseph B. Bower, Jr. | 51                          | President and Chief<br>Executive Officer      | President and Chief<br>Executive Officer      | 4/19/05           |
|                      |                             | CNB Financial<br>Corporation and CNB<br>Bank; | CNB Financial<br>Corporation and<br>CNB Bank; |                   |

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|                      |    |   |                             |
|----------------------|----|---|-----------------------------|
|                      |    | see also biography<br>below   | see also biography<br>below |
| Robert W. Montler    | 63 | President & CEO Lee<br>Industries<br>(Manufacturer)   | 6/28/05                     |
| Independent Director |    |   |                             |
| Joel E. Peterson     | 56 | President   | 9/13/11                     |
| Independent Director |    | Clearfield Wholesale<br>Paper<br><br>(Wholesaler)   |                             |
| Richard B. Seager    | 57 | President and CEO   | 12/14/10                    |
| Independent Director |    | Beacon Light<br>Behavioral Health<br>Systems (Mental<br>Health) CEO and<br>Founder<br><br>Deerfield Behavioral<br>Health<br><br>(Mental Health) |                             |

Joseph B. Bower, Jr. has been with the Corporation since 1997 and previously served as Chief Financial Officer and Chief Operating Officer of CNB Bank as well as Secretary and Treasurer of CNB Financial Corporation. In January 2010 he was named President and Chief Executive Officer of CNB Bank and CNB Financial Corporation. Mr. Bower previously worked as a certified public accountant and holds a Bachelor of Arts in Accounting from Lycoming College in Williamsport, Pennsylvania. Mr. Bower has served and continues to serve on various boards within the community. Mr. Bower's position as President and Chief Executive Officer of the Corporation and his day to day leadership of the Corporation provides him with thorough knowledge of the Corporation's opportunities, challenges and operations.

Robert W. Montler is President & CEO of Lee Industries. Mr. Montler is also President & CEO of Keystone Process Equipment, which purchases and refurbishes used process equipment for the pharmaceutical, cosmetic, food and chemical markets. In 1997, he started Keystone Process Equipment and also began a real estate development company known as Tipton Realty. Mr. Montler's previous experience includes service in either a board or advisory board capacity for three other financial institutions. He has served and continues to serve on various boards within the community. Mr. Montler's experience as President and CEO of Lee Industries and Keystone Process Equipment provides him with extensive experience concerning conducting business in the Corporation's markets.

Joel E. Peterson is a graduate of Pennsylvania State University with a major in Accounting and Marketing. He is President of Clearfield Wholesale Paper and participates in the governance of many community organizations. He is also Chairman of the Clearfield-Jefferson Regional Airport Authority. Mr. Peterson, by virtue of his executive service, brings meaningful corporate governance experience to the Corporation's Board of Directors.

Richard B. Seager has over 25 years of experience in health care administration, consulting, and finance. Mr. Seager is actively involved in small business and community development activities throughout northwestern Pennsylvania, including service on various non-profit boards. Mr. Seager provides the Corporation's Board of Directors with knowledge of the market area and strong governance experience.

### Vote Required

Director nominees with the highest number of votes will be elected.

### Our Recommendation

**The Board of Directors unanimously recommends that shareholders vote FOR the foregoing nominees.**

**The following Class 1 directors' terms expire at the time of the annual shareholders meeting in 2017.**

| <b>Name</b>                               | <b>Age at<br/>December 31,<br/>2014</b> | <b>Business Experience<br/>(Past Five Years)</b>   | <b>Positions<br/>Held at CNB</b>                 | <b>Director<br/>Since</b> |
|---|---|--|--|---------------------------|
| William F. Falger<br>Independent Director | 67                                      | Retired, Formerly<br>President and Chief<br>Executive Officer CNB<br>Financial Corporation<br>and CNB Bank     | Former President &<br>Chief Executive<br>Officer | 4/16/96                   |
| Jeffrey S. Powell<br>Independent Director | 50                                      | President<br><br>J. J. Powell, Inc.<br>(Petroleum Distributor)   |  | 12/27/94                  |
| James B. Ryan<br>Independent Director     | 67                                      | Retired, Formerly Vice<br>President of Sales and<br>Marketing<br><br>Windfall Products, Inc.<br>(Manufacturer) |  | 2/9/99                    |
| Peter F. Smith<br>Independent Director    | 60                                      | Attorney at Law  |  | 9/12/89                   |

William F. Falger retired in December 2009 after an extensive career with the Corporation. From January 1993 until his retirement, he held the offices of President and Chief Executive Officer of CNB Bank and he was President and Chief Executive Officer of CNB Financial Corporation from January 2001 until his retirement. Mr. Falger began his career with the Corporation in 1989 when he was hired as Senior Lender of CNB Bank. He is a graduate of Indiana University of Pennsylvania with a Bachelor of Science in Mathematics. Mr. Falger has served and continues to serve

on various boards within the community. Mr. Falger's former service as President and Chief Executive Officer of the Corporation and CNB Bank and his past day to day leadership of the Corporation provides him with a thorough knowledge of the Corporation's opportunities, challenges and operations. He also brings a wealth of corporate governance experience to the Corporation's Board of Directors.

Jeffrey S. Powell is a graduate of The Pennsylvania State University where he earned a degree in Business Administration. He is currently the President of J.J. Powell Inc., a petroleum distributor, as well as Snappy's Convenience Stores. Mr. Powell serves as Audit Committee Chairman. Mr. Powell's service as President of J.J. Powell Inc. brings strong executive experience to the Corporation's Board of Directors.

James F. Ryan was a founding partner and served as Vice President of Windfall Products, a powdered metal manufacturing company in St. Marys, Pennsylvania, and retired in 1999. Mr. Ryan has served on various civic boards. Mr. Ryan's past executive experience and service on civic boards provides him with strong corporate governance experience.

Peter F. Smith obtained his Bachelor of Arts from Williams College in 1976 and later graduated from the Dickinson School of Law in 1981. He joined his late father, William U. Smith, in the general practice of law in Clearfield after graduation. Mr. Smith has continued in the practice, representing a diverse group of businesses and their owners. He concentrates his practice on commercial transactions, real estate, mineral law, estate planning and related litigation. Mr. Smith has served on the Ethics Committee of the Pennsylvania Bar Association since 1994 and has authored numerous written opinions to assist other lawyers with ethical issues, and has been invited to speak as panelist by the Pennsylvania Bar Institute. Mr. Smith has served and continues to serve numerous charitable and public services organizations including the Boy Scouts of America, The Shaw Public Library and the Clearfield County Rails to Trails. Mr. Smith's legal experience provides the Corporation's Board of Directors with valuable insight into legal matters affecting it and its markets. Mr. Smith also brings strong corporate governance experience to the Corporation's Board of Directors.

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The following Class 2 directors terms expire at the time of the annual meeting in 2016.

| Name   | Age at<br>December 31,<br>2014 | Business Experience<br>(Past Five Years)  | Positions<br>Held at CNB   | Director<br>Since |
|--|--------------------------------|---|--|-------------------|
| Richard L. Greslick, Jr.                       | 38                             | Senior Executive Vice President, Chief Operating Officer, and Secretary, CNB Financial Corporation and CNB Bank; see also biography below | Senior Executive Vice President, Chief Operating Officer, and Secretary, CNB Financial Corporation and CNB Bank;<br><br>see also biography below | 1/1/12            |
| Dennis L. Merrey<br>Independent Director       | 66                             | Chairman of the Board Retired. Formerly President and CEO, Clearfield Powdered Metals, Inc. (Manufacturer)                                |  | 6/4/91            |
| Robert D. Hord<br>Independent Director         | 69                             | President Hord Livestock, Inc. (Agricultural Industry)  |  | 10/11/13          |
| Deborah Dick Pontzer<br>Independent Director   | 55                             | Economic Development and Workforce Specialist for Congressman Glenn Thompson  |  | 6/10/03           |
| Nicholas N. Scott, Jr.<br>Independent Director | 42                             | Vice President/Owner Scott Enterprises (Hospitality Industry)   |  | 5/14/13           |

Richard L. Greslick, Jr., has been with the Corporation since 1998 and previously served as Controller and Vice President of Operations of CNB Bank. In 2009, Mr. Greslick was named Vice President of Administration of CNB Bank and Secretary of CNB Financial Corporation. In July 2010, Mr. Greslick was named Senior Vice President of Administration of CNB Bank. In December 2012, Mr. Greslick was named Senior Executive Vice President and Chief Operating Officer of CNB Bank. Mr. Greslick holds a Bachelor of Science in Accounting from Indiana University of Pennsylvania and is a 2009 graduate of the American Bankers Association's Stonier National Graduate School of Banking in Philadelphia, PA. Mr. Greslick has served and continues to serve on various boards within the community. Mr. Greslick's experience as an executive of the Corporation provides him with thorough knowledge of the Corporation's opportunities, challenges and operations.

Prior to his being nominated to serve as a director of the Corporation, Mr. Hord was a director of The Farmers Citizens Bank, a wholly owned subsidiary of FC Banc Corp. (which was acquired by the Corporation in 2013), since 1979 and of FC Banc Corp. since 1994, serving as its Chairman from 1996 to 2013. Mr. Hord is the President of Hord Livestock, Inc., a grain and hog operation in Crawford County, Ohio, a position he has held since 1979. Mr. Hord has also been the President of Hord Elevator, LLC, a grain receiving and feed mill located in Crawford County, Ohio, for over 10 years. Mr. Hord also serves on the Crawford County Economic Development Board. Mr. Hord's executive and director-level experience provide him with valuable and extensive corporate governance experience and insight into the markets of FCBank, a division of CNB Bank.

Dennis L. Merrey was President and Chief Executive Officer of a foundry and machine company and Founder, President and Chief Executive Officer of a powdered metal parts producing company. Mr. Merrey has more than 30 years of manufacturing management experience. He has been a member of the Bank's and CNB Financial Corporation's Boards of Directors since 1991 and was elected Chairman of both Boards in 2007. He is currently retired from business. He has served on numerous charitable and public service boards and serves currently as Chairman of the Board of Clearfield Hospital and Penn Highlands Health Care, the parent company of a three hospital system. Mr. Merrey's executive and director-level experience provide him with valuable and extensive corporate governance experience.

Deborah Pontzer is an Economic Development and Workforce Specialist for Congressman Glenn Thompson. In that capacity, she works with business, industry, and communities to identify and obtain the resources necessary for continued economic development and growth. Her prior experience is in higher education and public accounting. She is active in her community and currently serves as a Trustee for The Stackpole-Hall Foundation. Ms. Pontzer earned a B.A. from Mount Holyoke College and an M.B.A. from the American Graduate School of International Management. Ms. Pontzer's experience as Economic Development and Workforce Specialist for Congressman Glenn Thompson enables her to provide valuable perspective to the Corporation's Board of Directors.

Nicholas N. Scott, Jr. is Vice President/Owner of Scott Enterprises of Erie, PA. Mr. Scott has served in this role since 1995. Mr. Scott serves on the UPMC Hamot Health Foundation Board of Trustees, Penn State Behrend Council of Fellows Executive Board, Visit Erie Board of Directors, Erie Regional Chamber and Growth Partnership Board of Directors, and the Pennsylvania Free Enterprise Week Board of Directors. He also lends his expertise to the United Way's Success by 6 Committee, and the Pennsylvania Early Learning Investment Commission. As an Erie business leader responsible for operations and development of the third-generation family owned hospitality business, Mr. Scott applies his expertise in strategic planning and provides leadership and guidance as ERIEBANK, a division of CNB Bank, continues to develop in the Erie region.

There are no arrangements or understandings between any director and any other person pursuant to which he or she was selected as a director.

## **PROPOSAL 2. ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act added Section 14A to the Securities Exchange Act of 1934, which requires that we provide our shareholders with the opportunity to approve, on a non-binding advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC.

As described in greater detail under the heading Compensation Discussion and Analysis, we seek to align the interests of our named executive officers with the interests of our shareholders. Our compensation programs are designed to reward our named executive officers for the achievement of short-term results and long-term growth, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

The Corporation is presenting the following proposal, which gives you as a shareholder the opportunity to endorse or not endorse our compensation program for named executive officers by voting for or against the following resolution (a say-on-pay vote). While the vote on the resolution is advisory in nature and therefore will not bind us to take any particular action, our Board of Directors intends to carefully consider the shareholder vote resulting from the proposal in making future decisions regarding our compensation program.

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the Corporation's named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative executive compensation disclosures contained in the Proxy Statement.

### **Vote Required**

The affirmative vote of a majority of the votes cast by all shareholders entitled to vote on this proposal is required to approve this proposal.

### **Our Recommendation**

**The Board of Directors unanimously recommends that shareholders vote FOR the proposal.**



### **PROPOSAL 3. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors is responsible for selecting the Corporation's independent registered public accounting firm. At its meeting held on March 4, 2015, the Audit Committee appointed Crowe Horwath LLP ( Crowe ) as the independent registered public accounting firm for the 2015 fiscal year. Although shareholder approval for this appointment is not required, the Board is submitting the selection of Crowe for ratification to obtain the views of shareholders. If the appointment is not ratified, the Audit Committee will reconsider its selection.

In making the appointment of Crowe as the Corporation's independent registered public accounting firm for the fiscal year 2015, the Audit Committee considered whether Crowe's provision of services other than audit services is compatible with maintaining independence as our independent auditors and decided that the provision of such services is compatible with maintaining independence.

#### **Vote Required**

The affirmative vote of a majority of the votes cast by all shareholders entitled to vote on this proposal is required to approve this proposal.

#### **Our Recommendation**

**The Board of Directors unanimously recommends that shareholders vote FOR ratification of the appointment of independent auditors.**

### **CONCERNING THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Corporation's independent registered public accounting firm for the fiscal year ended December 31, 2014 was Crowe Horwath LLP. The Audit Committee has selected Crowe Horwath LLP to be the independent registered public accounting firm for the fiscal year ending December 31, 2015. Representatives of Crowe Horwath LLP are expected to be present at the annual meeting to respond to appropriate questions and to make such statements as they may desire, including comments on the financial statements of the Corporation.

Audit Fees. The following table sets forth the aggregate fees billed to CNB Financial Corporation for the fiscal years ended December 31, 2014 and December 31, 2013 by the Corporation's independent registered public accounting firm Crowe Horwath LLP.

|                    | <b>December 31,</b> |                   |
|--------------------|---------------------|-------------------|
|                    | <b>2014</b>         | <b>2013</b>       |
| Audit Fees         | \$ 249,000          | \$ 390,500        |
| Audit-Related Fees |                     |                   |
| Tax Fees           |                     |                   |
| All Other Fees     |                     | 4,745             |
|                    | <b>\$ 249,000</b>   | <b>\$ 395,245</b> |

Audit fees represent fees for professional services rendered by Crowe Horwath LLP in connection with the audit of the Corporation's consolidated financial statements and internal control over financial reporting and reviews of the consolidated financial statements included in the Corporation's quarterly reports on Form 10-Q. Audit fees in 2013

also included fees related to consent procedures associated with the Corporation's filing of a registration statement on Form S-4 and related amendments, filing an amendment to a registration statement on Form S-3 and additional audit procedures surrounding the business combination with FC Banc Corp. Other fees in 2013 represent licensing fees for internal control documentation software.

*Auditor Independence.* The Audit Committee of the Board believes that the non-audit services provided by Crowe Horwath LLP are compatible with maintaining the auditor's independence. None of the time devoted by Crowe Horwath LLP on its engagement to audit the financial statements for the year ended December 31, 2014 is attributable to work performed by persons other than full-time, permanent employees of Crowe Horwath LLP. The Audit Committee is responsible for approving any service provided by Crowe Horwath LLP.

#### **OTHER MATTERS**

The Board of Directors does not intend to bring any other matters before the annual meeting and does not know of any matter which anyone proposes to present for action at the meeting. However, if any other matters properly come before the meeting, the persons named in the accompanying proxy, or their duly constituted substitutes acting at the meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment.

## **CORPORATE GOVERNANCE**

### **General**

The business and affairs of the Corporation are managed under the direction of the Board of Directors. Members of the Board are kept informed of the Corporation's business through discussions with the Chairman of the Board and the Corporation's executive officers, by reviewing materials provided to them and by participating in meetings and strategic planning sessions of the Board and its various committees. The Board is also kept apprised by the Chairman of the Board and management of continuing educational programs on corporate governance and fiduciary duties and responsibilities.

The Corporation believes in the importance of sound and effective corporate governance and has adopted policies and promoted practices which it believes enhance corporate governance of the Corporation.

### **Board Leadership Structure**

The Corporation has elected to have two separate individuals as CEO and Chairman. The Corporation believes that this separation facilitates the independence of the Board and is appropriate for the size and structure of the Corporation.

### **Risk Oversight**

Risk identification and management are essential elements for the successful management of the Corporation. In the normal course of business, the Corporation is subject to various types of risk. These risks are controlled through policies and procedures established throughout the Corporation, which are monitored and reviewed by the Board in accordance with established Corporation policies.

In December 2010, the Corporation initiated an Enterprise Risk Management (ERM) Process. The process includes measurement and monitoring of the following risks: credit, market, liquidity, operational, compliance/legal, strategic and reputation. An ERM Risk Assessment Team evaluates, analyzes, and reports annual risk assessment(s) and provides quarterly updates to the ERM Risk Steering Committee, comprised of the Executive Management Team. The Corporation's ERM Board Committee members meet quarterly to review the overall risk profile of the Corporation. The ERM Board Committee met four times during 2014. The ERM Board Committee follows an ERM Policy, Risk Philosophy Statement and Risk Appetite Statement that summarizes the risk appetite of the Corporation as well as the expected reward for the risks.

In addition to the ERM Process, the following risks are specifically addressed as outlined below: market, credit, and liquidity risk.

Market risk is the sensitivity of net interest income and the market value of financial instruments to the direction and frequency of changes in interest rates. Market risk results from various repricing frequencies and the maturity structure of the financial instruments owned by the Corporation. The Corporation uses its asset/liability management policy and systems to control, monitor, and manage market risk. Such policies and systems are monitored at least monthly by the Management Asset/Liability Committee and by the Asset/Liability Committee of the Board, which meets four times per year.

Credit risk represents the possibility that a customer may not perform in accordance with contractual terms. Credit risk results from loans with customers and the purchase of securities. The Corporation manages credit risk by following an established credit policy and through a disciplined evaluation of the adequacy of the allowance for loan losses. Also, the investment policy limits the amount of credit risk that may be taken in the securities portfolio. Such policies and

systems are monitored by both the Asset/Liability Committee of the Board and the Loan Committee of the Board, which meets four times per year.

Liquidity risk represents the inability to generate or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers and obligations to depositors. The Corporation has established guidelines within its asset liability management policy to manage liquidity risk. These guidelines include contingent funding alternatives. Such guidelines are monitored at least monthly by the Management Asset/Liability Committee and by the Asset/Liability Committee of the Board.

### **Meetings and Committees of the Board of Directors**

The Board of Directors held twelve meetings during 2014. Eleven directors attended the 2014 annual meeting of shareholders. Each incumbent director attended at least 75 percent of the aggregate of (i) the total number of meetings held by the Board of Directors during the period that the individual served and (ii) the total number of meetings held by all committees of the Board on which the individual served during the period that the individual served.

The Board of Directors of the Corporation and the Board of Directors of the Bank have a number of joint committees that serve both the Corporation and the Bank. These include an Audit Committee, an Executive Compensation Committee and a Corporate Governance/Nominating Committee.

**Audit Committee.** The Audit Committee met five times in 2014. The Audit Committee appoints the Corporation's independent registered public accounting firm, reviews and approves the audit plan and fee estimate of the independent registered public accounting firm, appraises the effectiveness of the internal and external audit efforts, evaluates the adequacy and effectiveness of accounting policies and financial and accounting management, approves and evaluates the internal audit function, pre-approves all audit and any non-audit services, and reviews and approves the annual and quarterly financial statements. The members of the Audit Committee are Jeffrey S. Powell, Chairman; Dennis L. Merrey; Robert W. Montler; and Deborah Dick Pontzer. The Corporation's Board adopted a written charter for the Audit Committee on May 3, 2001. The charter is reviewed annually by the Audit Committee and no changes were made in 2014. The charter is available on the Corporation's website at [www.bankcnb.com](http://www.bankcnb.com).

In the opinion of the Corporation's Board, the members of the Audit Committee do not have a relationship with the Corporation or any of its affiliates that would interfere with the exercise of independent judgment in carrying out their responsibilities as directors. None of them is or has for the past three years been an employee of the Corporation or any of its affiliates; no immediate family members of any of them is or has for the past three years been an executive officer of the Corporation or any of its affiliates; and they otherwise meet the standards for independence required by NASDAQ.

The Corporation's Board of Directors has determined that the Audit Committee does not have a financial expert serving on the Committee, as defined by the SEC. While members have an understanding of financial statements as well as the ability to assess the proper application of accounting estimates, accruals and reserves sufficient to perform their duties as Audit Committee members, no member possesses in-depth knowledge of generally accepted accounting principles. The Audit Committee has the authority to engage legal counsel or other experts or consultants as it deems appropriate to carry out its responsibilities, at the Corporation's expense.

The Audit Committee must pre-approve all permitted non-audit services performed by the Corporation's external audit firm. The Audit Committee may delegate such authority to a subcommittee, provided that any decisions of the subcommittee are presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee has submitted the following report for inclusion in this Proxy Statement:

The Audit Committee has reviewed the audited financial statements for the year ended December 31, 2014 and has discussed them with management. The Audit Committee has also discussed with Crowe the matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard No. 16 and by SEC rules. The Audit Committee has received the written disclosures and the letter from Crowe required by applicable requirements of the Public Company Accounting Oversight Board regarding Crowe's communications with the Audit Committee, and has discussed with Crowe their independence. Based on this, the Audit Committee recommended to the Board that the audited financial statements be included in CNB Financial Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 for filing with the SEC.

Submitted by the Audit Committee:

Jeffrey S. Powell, Chairman  
Robert W. Montler

Dennis L. Merrey  
Deborah Dick Pontzer

This report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Exchange Act of 1934 and shall not be deemed filed under that Act.

**Executive Compensation Committee.** The Executive Compensation Committee consists of the following independent directors as defined by NASDAQ rules: Richard B. Seager, Chairman; Dennis L. Merrey; Robert W. Montler, Jeffrey S. Powell and Nick Scott, Jr. The Committee met six times during 2014. See Compensation Determination Process for more information about the Executive Compensation Committee.

**Corporate Governance/Nominating Committee.** The Corporate Governance Nominating Committee met one time during 2014. The Committee consists of the following independent directors as defined by NASDAQ rules: Dennis L. Merrey, Chairman; Jeffrey S. Powell; James B. Ryan; and Peter F. Smith. The Committee was established by resolution of the Board of Directors. Its function is to recommend to the Board candidates for nomination for election to the Board of Directors. Any shareholder who wishes to have the Committee consider a candidate should submit the name of the candidate, along with any biographical or other relevant information that the shareholder wishes the

Committee to consider and the consent of such candidate evidencing his or her willingness to serve as a director, to the President of the Corporation at the address appearing on the Notice of Annual Meeting no later than November 14, 2015. All recommendations are subject to the process described below.

The Committee has the responsibility of reviewing and evaluating candidates for election or appointment to the Board of Directors and compares candidates to the current Board to ensure that the Board has a diverse group of individuals through different professions, experience, education or skill. The process utilized by the Committee to recommend a candidate consists of first reviewing formal expressions of interest by interested individuals which have been communicated to the Committee. In addition, the Committee obtains input from shareholders, directors and management regarding other potential candidates who have not indicated an interest in a Board position.

Utilizing the selection criteria set forth below, the Committee selects a candidate and then conducts an interview in order to further evaluate the individual. Subsequent to the interview the Committee meets to determine whether to recommend the candidate to the Board of Directors for election or appointment. The Board of Directors, exclusive of non-independent directors, either accepts or rejects the Committee's recommendation.

The Committee utilizes various selection criteria to evaluate a candidate for election or appointment to the Board of Directors including, among others, the following minimum criteria:

1. Residency within the market area of CNB Bank.
2. Ability and willingness to commit time necessary to fulfill Board and committee duties.
3. Strong interest in or familiarity with the financial services industry.
4. Successful career in a business or profession suitable to our business plan within the Bank's market area.
5. Character and reputation.

No incumbent director may be nominated without approval of at least 25% of the existing directors and no person not then a director may be proposed for nomination without approval of at least two-thirds of the directors. The Bylaws provide that any director, upon first being appointed or elected to serve as a director, must own the lesser of 1,000 unencumbered shares of common stock of the Corporation or the number of shares equivalent to \$15,000 of market value as of the date of the appointment or election. Further, on or before the third anniversary of the director's first election to the Board, the director must own at least the lesser of 2,500 unencumbered shares of common stock of the Corporation or the number of shares equal to \$25,000 of market value.

Directors Dennis L. Merrey, Joseph B. Bower, Jr. and Richard L. Greslick, Jr. are ex-officio members of all committees if not otherwise named, except the Audit, Corporate Governance/Nominating, and Executive Compensation Committees as to Mr. Bower and Mr. Greslick.

The Committee has a charter, a copy of which is available on the Corporation's website at [www.bankcnb.com](http://www.bankcnb.com).

### **Communications With Directors**

Any shareholder who wishes to communicate with the directors (or with any individual director) should send a letter to the directors as follows: ATTN: Corporate Secretary - Communication to Directors, CNB Financial Corp., PO Box 42, Clearfield, PA 16830-0042. The Corporate Secretary will regularly forward all such correspondence to the directors.

### **Director Attendance at Annual Meetings**

The Corporation typically schedules a meeting of the Board of Directors in conjunction with the annual meeting and expects that the members of the Board of Directors will attend the annual meeting, absent a valid reason, such as a previously scheduled conflict. Eleven of the individuals then serving as directors attended the annual meeting in April 2014.

## **COMPENSATION OF DIRECTORS**

Members of the Corporation's Board of Directors who are not employees of the Corporation or a subsidiary of the Corporation are paid a monthly retainer fee of \$750 and \$600 for attendance at each Board meeting. The Chairperson is also paid a \$650 monthly retainer fee. Members of the Bank's Board of Directors who are not employees of the Corporation or a subsidiary of the Corporation are paid \$600 for attendance at each Board meeting and \$500 for attendance at each committee meeting. Committee Chairpersons were paid \$600 for each meeting attended. The chairperson of the Executive Compensation Committee is paid a quarterly retainer of \$750, the chairperson of the Audit Committee is paid a quarterly retainer of \$1,250, and the chairperson of the Corporate Governance/Nominating Committee is paid a quarterly retainer of \$688. All Bank directors are paid a \$750 monthly retainer.

Fees are reviewed annually by the Executive Compensation Committee for recommendation to the Board. The Committee reviews relevant peer group data similar to that used in the executive compensation review. The Committee believes that it is important for a Board member to own a certain amount of stock in order to better align the interests of the Board with that of the shareholder base. The Committee believes that appropriate compensation is critical to attracting, retaining and motivating directors who have the qualities necessary to direct this Corporation and who meet the guidelines referred to under Corporate Governance/Nominating Committee.

### **Non-Management Director Compensation Table for 2014**

| Name                 | Change in Pension Value and<br>Nonqualified<br>Deferred<br>Compensation |                          |                      |                                   | Total<br>(\$) |
|----------------------|---|--------------------------|----------------------|-----------------------------------|---------------|
|                      | Fees Earned<br>or Paid<br>in<br>Cash (\$)                               | Stock Awards<br>(\$ (1)) | Earnings<br>(\$ (2)) | All Other<br>Compensation<br>(\$) |               |
| Dennis L. Merrey     | 65,575  | 25,500                   | 4,075                |                                   | 95,150        |
| William F. Falger    | 40,175  | 25,500                   |                      | 15,117 (4)                        | 80,792        |
| Robert D. Hord       | 34,475  | 25,500                   |                      |                                   | 59,975        |
| Robert W. Montler    | 38,175  | 25,500                   |                      |                                   | 63,675        |
| Joel E. Peterson     | 32,275  | 25,500                   |                      |                                   | 57,775        |
| Deborah Dick Pontzer | 37,975  | 25,500                   |                      |                                   | 63,475        |
| Jeffrey S. Powell    | 43,724  | 25,500                   | 7,736                |                                   | 76,960        |
| Charles H. Reams (3) | 3,833   |                          |                      |                                   | 3,833         |
| James B. Ryan        | 33,425  | 25,500                   |                      |                                   | 58,925        |
| Nick Scott, Jr.      | 36,475  | 25,500                   |                      |                                   | 61,975        |
| Richard B. Seager    | 39,425  | 25,500                   |                      |                                   | 64,925        |
| Peter F. Smith       | 36,675  | 25,500                   |                      |                                   | 62,175        |

- (1) Reflects the aggregate grant date fair value of shares restricted stock awarded under the 2009 Stock Incentive Plan valued at the dollar amount recognized for financial reporting purposes in accordance with the ASC Topic 718.
- (2) Does not include director contributions to the Directors and Executives Deferred Compensation Plan.
- (3) Mr. Reams retired from the Board of Directors effective January 30, 2014.
- (4) Compensation for payroll taxes erroneously paid by Mr. Falger rather than the Corporation in connection with compensation paid in prior years.



In May 2003, the Corporation established a Survivor Benefit Plan for the benefit of non-employee directors. The purpose of the plan is to provide a \$100,000 to \$150,000 (amount varies by participant) life insurance benefit to designated beneficiaries if a participant dies while serving as a director of the Corporation or, in the case of a non-employee directors who has served as a director of the Corporation for ten or more years (or attain age 70 while serving as a director), following such non-employee director's termination of service. The plan is considered an unfunded plan for tax and ERISA purposes and all obligations arising under the plan are payable from the general assets of the Corporation. Messrs. Bower, Falger and Greslick are ineligible to participate in the plan.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This discussion and analysis focuses on the Corporation's Executive Officers, who are named in the tables below and who are referred to as our named executive officers or NEOs. We summarize our philosophy, the strategy and the major details of the Corporation's approach to compensating our NEOs.

#### Executive Summary

Our compensation strategy has been developed over several years with guidance and oversight of the Executive Compensation Committee.

Our expectation is that our senior management team should drive performance and produce above average returns for shareholders. To achieve that goal, our executive compensation approach is benchmarked, both as to pay and as to performance, and weighted heavily towards results. In return for achieving above average performance, we expect to reward our NEOs with at or above average compensation and benefits.

At the 2014 annual meeting of shareholders, 6,936,938 shares, or 73% of shares, were voted in favor of a resolution approving, on an advisory basis, the compensation paid to the Corporation's named executive officers as disclosed in the Corporation's proxy statement for that annual meeting. The Committee considered the positive results of the shareholder advisory vote with respect to compensation policies and programs in deciding not to alter those policies and programs in 2014. The Corporation has an annual say-on-pay vote as approved by the shareholders.

Provided below are key Corporation performance and executive compensation highlights for 2014:

#### Corporation Performance Highlights:

*Return on Average Equity ( ROE )* of 12.76% exceeded the 2014 NEO Incentive Plan target, which was a ROE that exceeded the ROE for the CNB compensation peer group at 8.43%.

*Credit Quality Standards* were compared to the credit quality standards of the CNB compensation peer group as well as established standards based on historical performance of the Corporation including the ratio of non-performing assets to total assets ( NPAs/TAs ), loan losses, & delinquency.

*NPAs/ TAs* of 0.47%, for 2014, compared to peer data of 0.91%

*Other Financial Performance measures:* Strong performance as compared to Bank Holding Company Peer Report ( BHCPR ) data specifically related to operating efficiencies and solid performance as compared to the Uniform Bank Performance Report ( UBPR ) data specifically related to average personnel expenses per employee. The BHCPR data can be found at the website of the Federal Financial Institutions Examination Council ([www.ffiec.gov](http://www.ffiec.gov)). The UBPR data can be found at the website of the Federal Financial Institutions Examination Council ([www.ffiec.gov](http://www.ffiec.gov)).

Operating Efficiency or overhead expenses/net interest income + non-interest income of 59.91%, for 2014, compared to BHCPR data of 70.95%

Average personnel expenses per employee of \$67.65 thousand, for 2014, compared to UBPR data of \$78.85 thousand

### **Compensation Highlights**

Summarized below are highlights with respect to executive compensation in 2014:

Continued to measure both absolute and relative performance in our annual bonus (helping to ensure a more balanced and risk appropriate program)

Continued to provide a significant portion of executive compensation in incentive-based pay (helping to ensure a pay-for-performance alignment)

Made stock-based grants to select executives to help retain and align the executives with the long-term interests of the Corporation and shareholders

With the assistance of an independent consultant, examined the competitiveness of executive compensation to ensure it meets our objectives of attracting, retaining and motivating executives

## **Compensation Determination Process**

### *The Role of the Executive Compensation Committee*

The Executive Compensation Committee is composed of five non-employee, independent directors (as defined in the NASDAQ Corporate Governance Rules) selected from the Board of Directors of the Corporation.

The Committee has the overall responsibility for reviewing, establishing, and administering policies which govern NEO compensation programs. It determines the compensation of the NEOs for recommendation to the entire Board. In discharging these responsibilities, the Committee seeks to maintain a position of equity with respect to the balancing of interests of the shareholders with those of the NEOs.

The Executive Compensation Committee has a charter, a copy of which is available on the Corporation's website at [www.bankcnb.com](http://www.bankcnb.com). The Executive Compensation Committee meets regularly regarding compensation issues and regularly receives input from its independent compensation consultant.

### *The Role of the Compensation Consultant*

The Executive Compensation Committee has the sole authority to retain and terminate a compensation consultant and to approve the consultant's fees and all other terms of the engagement. The Committee has direct access to outside advisors and consultants throughout the year.

In 2014, the Committee selected and retained the services of Meyer-Chatfield Compensation Advisors (M-C), an independent, outside consulting firm specializing in NEO and board compensation, for assistance based on M-C's expertise. Services include conducting benchmarking studies, establishing compensation guidelines, designing incentive programs, assisting with proxy disclosure, and providing insight on emerging best practices. The consultant reports directly to the Committee and carries out its responsibilities as assigned by the Committee. The Committee has reviewed all services provided by M-C in 2014, and has determined that M-C is independent with respect to the SEC standards and NASDAQ rules as well as Corporation policy.

Meyer-Chatfield has been retained to assist the Committee with compensation strategies for 2015.

### *The Role of Management*

At the request of the Committee, NEOs of the Corporation may be present at Committee meetings for discussion purposes, except that the Chief Executive Officer may not be present during any voting or deliberations of the Committee concerning the Chief Executive Officer's compensation. NEOs have no involvement in the decisions made by the Committee, nor do they have a vote on any matters brought before the Committee.

The Executive Compensation Committee meets with the Chief Executive Officer to discuss his performance and compensation package, but ultimately decisions regarding his package are made solely based upon the Committee's deliberations, as well as input from the compensation consultant, as requested. The Executive Compensation Committee considers recommendations from the Chief Executive Officer, as well as input from the compensation consultant as requested, to make decisions regarding the compensation of other NEOs.

## **Competitive Benchmarking**

Although the Committee reviews competitive market data annually, a comprehensive assessment may be undertaken every few years. The frequency of the comprehensive reviews will reflect the competitive landscape as well as our own growth. To assist in making compensation decisions, M-C was engaged by the Executive Compensation

Committee to conduct a comprehensive review of our NEO total compensation program. The purpose of the review was to provide an independent and objective analysis of all elements of compensation (individually and in aggregate) relative to market and peer group practices. An assessment of the pay mix and the pay for performance relationship were also presented to the Committee.

The primary data source used in examining the competitive market for the NEOs is information publicly disclosed by a peer group of other publicly traded financial corporations. A peer group was developed by M-C using objective parameters that reflect banks of similar size, geographic region, and business model (factors that influence NEO compensation in banks). M-C excluded banks in large metropolitan areas as they are not similar to the Corporation. The peer group was approved by the Executive Compensation Committee. Peer groups are reviewed and updated as appropriate, since the comparable banks may change depending on acquisitions and business focus of the bank or our peer institutions. Overall, the goal is to have 18 to 24 comparative financial corporations that provide a market perspective for NEO total compensation.

The following 18 financial institutions comprise the peer group used in the 2014 review:

|                                  |                                  |   |
|----------------------------------|----------------------------------|---|
| Arrow Financial Corporation      | Eagle Bancorp, Inc.              | Peapack-Gladstone Financial Corporation |
| Bridge Bancorp                   | Financial Institutions, Inc.     | Peoples Bancorp, Inc.                   |
| Canandaigua National Corporation | First of Long Island Corporation | Summit Financial Group                  |
| Chemung Financial Corporation    | First United Corporation         | Univest Corporation of Pennsylvania     |
| Citizens & Northern Corporation  | Lakeland Bancorp                 |   |
| City Holding Co.                 | LNB Bancorp                      |   |
| Connect One Bancorp, Inc.        | Metro Bancorp, Inc.              |   |

In addition to the peer group data, the consultant used survey sources to identify general compensation trends. The data reflected banks representing similar asset size and region to the Corporation.

#### *Competitive Compensation Guidelines*

Based on the results of a competitive benchmarking study, the consultant provided market competitive guidelines that support the Corporation's total compensation philosophy. The guidelines reflect market competitive base salaries, short term incentive targets (as a percentage of base salary), and long-term incentive targets (as a percentage of base salary).

The 2014 competitive compensation guidelines are summarized below.

| Title                                   | Competitive Compensation Guidelines |                          |                     |
|---|-------------------------------------|--------------------------|---------------------|
|   | Base Salary                         | Target Annual Incentives | Long-Term Incentive |
| President & CEO                         | \$ 407,590                          | 35% - 45%                | 30%                 |
| Principal Financial Officer & Treasurer | \$ 208,374                          | 25% - 30%                | 20%                 |
| EVP & Chief Lending Officer             | \$ 200,224                          | 25% - 30%                | 20%                 |
| SEVP & Chief Credit Officer             | \$ 176,843                          | 25% - 30%                | 20%                 |
| SEVP & Chief Operating Officer          | \$ 245,010                          | 25% - 30%                | 20%                 |

Based on the results of the competitive analysis and competitive guidelines shared by M-C, the Corporation's 2014 base salaries, target annual incentives and long-term incentives for its NEOs are generally in line with competitive guidelines.

#### **Compensation Philosophy**

##### *Compensation Objectives*

The primary objectives of the executive compensation program are to:

Attract, retain, and motivate key executives to produce superior operating results for the Corporation;

Align the financial interest of the NEOs and shareholders through incentive-based compensation; and

Provide a total compensation program that recognizes individual contributions as well as overall business results.

*Compensation Elements*

Our executive compensation program is designed to be simple, straightforward and fair, and consists of the following elements:

Base salary;

Annual incentives;

Stock-based compensation;

Nonqualified deferred compensation;

Participation in the Corporation's retirement plans; and

Perquisites.

### *Target Pay and Mix for Compensation Elements*

The Executive Compensation Committee reviews both total compensation and each element of compensation when making pay decisions and recommendations to our Board. Although actual compensation can be above or below targets based on individual and Corporation performance, retention considerations and executive experience, we generally target base compensation within a reasonable range of the 50th percentile of the market.

In allocating compensation among these elements, our program is designed to provide a balance of:

Fixed and variable / performance-based compensation;

Cash and equity compensation; and

Compensation designed to encourage:

Short-term (annual) and long-term (multi-year) performance;

Performance of corporate strategic goals, shareholder value, and individual contributions; and

Absolute performance (our own goals) and relative performance (compared to industry).

This balanced approach helps to mitigate the influence of any one element of compensation which might be considered to drive excessive risk taking.

### **Elements of Compensation Details**

The Corporation's compensation program consists of six elements: base salary, annual incentives, stock-based compensation, participation in the Corporation's non-qualified deferred compensation plans, participation in the Corporation's retirement plans, and perquisites. The following section summarizes the role of each element, how decisions are made and the resulting 2014 decision process as it relates to our NEOs.

#### *Base Salary*

The Corporation believes that a competitive base salary is essential to hire and retain NEOs and that it should produce between 50 percent and 70 percent of an NEO's total compensation.

Our compensation consultant, M-C, provides pay range guidelines based on its competitive assessment considering a composite of market data from the custom proxy peer group as well as other data sources of banking compensation information. Our competitive range reflects +/- 15% of the market median. The Committee uses this range in making ongoing base salary decisions for each NEO.

In December of each year, the Committee reviews and sets each NEO's base pay to reflect competitive market conditions, individual experience, expertise, and performance relative to attainment of corporate goals and objectives such as earnings per share, return on equity and various asset quality measurements. Input from the Chief Executive



Officer is considered in setting the salaries of other NEOs while the Committee is solely responsible for determining the Chief Executive Officer's salary.

*2014 Decisions*

In December 2013, the Executive Compensation Committee reviewed the NEOs' salaries considering the market range for the positions and the relative salaries of the executive team, as well as competitive market conditions, individual performance and contributions. Salary adjustments for 2014 were made for the NEOs in December 2013, to closer align the executives with the Bank's compensation philosophy and targeted strategy. As a result of the increases, NEOs remain, on average, below the 50th percentile. The 2014 salary adjustments were as follows:

President & Chief Executive Officer Joseph B. Bower, Jr. The Committee approved a market adjustment increasing his salary from \$400,000 to \$432,000 (increase of 8%).

Executive Vice President & Chief Lending Officer Joseph E. Dell, Jr. The Committee approved a market adjustment increasing his salary from \$184,000 to \$197,500 (increase of 7%).

Senior Executive Vice President & Chief Credit Officer Mark D. Breakey The Committee approved a market adjustment increasing his salary from \$184,000 to \$199,000 (increase of 8%).

Senior Executive Vice President, Chief Operating Officer & Secretary Richard L. Greslick, Jr. The Committee approved a market adjustment increasing his salary from \$190,000 to \$208,000 (increase of 9%).

Executive Vice President, Chief Financial Officer & Treasurer Brian W. Wingard The Committee approved a market adjustment increasing his salary from \$160,000 to \$180,000 (increase of 13%).

*Annual Incentives*

The primary objective of our annual incentive program is to motivate and reward key members of management for achieving specific corporate, department, and individual goals that support our strategic plan. Through our 2014 NEO Incentive Plan, we offer a select group of key executives, whose efforts largely determine the achievement of corporate goals and objectives, an annual cash bonus opportunity. For each NEO, there are individual and group objectives, which vary among executives according to their areas of responsibility. In general, however, we set a minimum target or targets, expressed as performance in excess of the median for either our BHCPR peer group or the CNB compensation peer group of financial institutions, listed under the competitive benchmarking heading, which must be met before any bonus can be earned. The major component in the plan is Return on Average Equity (ROE). The target established is an ROE that exceeds the median of the peer group at plus 0.30%.

*2014 Decisions*

The 2014 NEO annual incentives are outlined below in tables and summary, based on weighting, targets and payouts.

President & Chief Executive Officer Joseph B. Bower, Jr. The Committee established an annual incentive award for Mr. Bower, pursuant to which Mr. Bower's annual incentive compensation will be determined based on the Corporation's (1) return on equity, (2) ratio of non-performing assets to total assets, compared to the median of the CNB compensation peer group of financial institutions, as listed under the competitive benchmarking heading, and (3) FCBank loan growth relative to target of \$315,441,000. Mr. Bower's maximum annual incentive is 40% of his base salary of \$432,000, or \$172,800.

Joseph B. Bower, Jr. President & CEO

|  | Weighting | Target         | CNB 2014<br>Data | Payout    |
|--|-----------|----------------|------------------|-----------|
| Return On Equity                               | 50%       | 8.43%          | 12.76%           | \$ 86,400 |
| Non-performing Assets to Total Assets          | 25%       | 0.91%          | 0.47%            | \$ 32,400 |
| FCBank loan growth                             | 25%       | \$ 315,441,000 | \$ 252,009,000   | \$        |
| Total 2014 Annual Incentive Payout = \$118,800 |           |                |                  |           |

Principal Financial Officer & Treasurer Brian W. Wingard The Committee established an annual incentive award for Mr. Wingard, pursuant to which Mr. Wingard's annual incentive compensation will be determined based on the Corporation's (1) return on equity compared to the median of the CNB compensation peer group, as listed under the competitive benchmarking heading, (2) operating efficiency ratio compared to the median of BHCPR data, and (3) non-interest income compared to average assets based on a corporate target of 0.67%. Mr. Wingard's maximum annual incentive is 40% of his base salary of \$180,000, or \$72,000.

Brian W. Wingard Principal Financial Officer & Treasurer

|   | Weighting | Target | CNB 2014<br>Data | Payout    |
|---|-----------|--------|------------------|-----------|
| Return On Equity                              | 30%       | 8.43%  | 12.76%           | \$ 21,600 |
| Operating Efficiency                          | 40%       | 70.95% | 59.91%           | \$ 28,800 |
| Non-Interest Income to Average Assets         | 30%       | 0.67%  | 0.63%            | \$        |
| Total 2014 Annual Incentive Payout = \$50,400 |           |        |                  |           |

Executive Vice President & Chief Lending Officer Joseph E. Dell, Jr. The Committee established an annual incentive award for Mr. Dell, pursuant to which Mr. Dell's annual incentive compensation will be determined based on the Corporation's (1) return on equity compared to the median of the CNB compensation peer group, as listed under the competitive benchmarking heading, (2) loan growth relative to corporate budgeted target of \$1,460,000,000, (3) non performing assets to total assets compared to the median of the CNB compensation peer group and (4) the Bank's loan losses not exceeding the Bank's budget target amount of 0.375% of average loans, or \$4,850,828. The loan growth component of Mr. Dell's annual incentive will decrease if loan losses of the Bank exceed 0.39% of average loans, or \$5,044,861. Mr. Dell's maximum annual incentive is 40% of his base salary of \$197,500, or \$79,000.

Joseph E. Dell, Jr. EVP &amp; Chief Lending Officer

|   | Weighting | Target           | CNB 2014         |           |
|---|-----------|------------------|------------------|-----------|
|   |           |                  | Data             | Payout    |
| Return On Equity                              | 20%       | 8.43%            | 12.76%           | \$ 15,800 |
| Loan Growth, measured in dollars outstanding  | 50%       | \$ 1,460,000,000 | \$ 1,335,289,000 | \$        |
| Non-performing Assets to Total Assets         | 20%       | 0.91%            | 0.47%            | \$ 11,850 |
| Loan Losses (CNB Bank Only)                   | 10%       | \$ 4,527,439     | \$ 1,102,000     | \$ 7,900  |
| Total 2014 Annual Incentive Payout = \$35,550 |           |                  |                  |           |

Senior Executive Vice President & Chief Credit Officer Mark D. Breakey The Committee established an annual incentive award for Mr. Breakey, pursuant to which Mr. Breakey's annual incentive compensation will be determined based on (1) the Corporation's return on equity compared to the median of the CNB compensation peer group, (2) the Corporation's ratio of non-performing assets to total assets compared to the median of the CNB's peer group, as listed under the competitive benchmarking heading, (3) the Corporation's loan losses not exceeding 0.4% of average loans, or \$5,266,984, (4) the Bank's loan delinquency not exceeding 1.70%, and (5) the loan delinquency for Holiday Financial Services Corporation not exceeding 4.50%. Mr. Breakey's maximum annual incentive is 40% of his base salary of \$199,000, or \$79,600.

Mark D. Breakey SEVP &amp; Chief Credit Officer

|   | Weighting | Target       | CNB 2014 Data |           |
|---|-----------|--------------|---------------|-----------|
|   |           |              | Data          | Payout    |
| Return On Equity                                    | 30%       | 8.43%        | 12.76%        | \$ 23,880 |
| Non-performing Assets to Total Assets               | 35%       | 0.91%        | 0.47%         | \$ 20,895 |
| Loan Losses (Consolidated)                          | 15%       | \$ 4,608,611 | \$ 2,562,000  | \$ 11,940 |
| Loan Delinquency (CNB Bank)                         | 15%       | 1.55%        | 0.94%         | \$ 11,940 |
| Loan Delinquency (Holiday Financial Services Corp.) | 5%        | 4.00%        | 4.24%         | \$ 995    |
| Total 2014 Annual Incentive Payout = \$69,650       |           |              |               |           |

Senior Executive Vice President, Chief Operating Officer & Secretary Richard L. Greslick, Jr. The Committee established an annual incentive award for Mr. Greslick, pursuant to which Mr. Greslick's annual incentive compensation will be determined based on the Corporation's (1) return on equity compared to the median of the CNB compensation peer group, as listed under the competitive benchmarking heading, (2) FCBank loan growth relative to target of \$315,441,000, and (3) non-interest income compared to average assets based on a corporate target of 0.67%. Mr. Greslick's maximum annual incentive is 40% of his base salary of \$208,000, or \$83,200.

Richard L. Greslick, Jr. EVP, Chief Operating Officer &amp; Secretary

|   | Weighting | Target         | CNB 2014       |           |
|---|-----------|----------------|----------------|-----------|
|   |           |                | Data           | Payout    |
| Return On Equity                              | 50%       | 8.43%          | 12.76%         | \$ 41,600 |
| FCBank Loan Growth                            | 25%       | \$ 315,441,000 | \$ 252,009,000 | \$        |
| Non-Interest Income to Average Assets         | 25%       | 0.67%          | 0.63%          | \$        |
| Total 2014 Annual Incentive Payout = \$41,600 |           |                |                |           |

*Stock-Based Compensation*

We believe that our NEOs should be invested in the Corporation and share the risks and rewards of all shareholders. The purpose of the Corporation's stock-based compensation program is to align NEOs with the long-term interests of the Corporation and shareholders, encourage stock ownership, and enhance our ability to retain top performers.

During 2014, the Executive Compensation Committee used the award of restricted common stock under the 2009 Stock Incentive Plan, vesting equally in four annual installments, as a means of compensating NEOs while making the full benefit of the award conditional upon the NEOs remaining with the Corporation for the near future. We believe this strategy establishes a tie to the shareholders as well as provides for the retention of our NEOs.

Decisions regarding the size of stock-based awards are made by the Executive Compensation Committee after careful consideration of corporate and individual performance, market data, retention considerations, impact on dilution, and existing equity holdings of each NEO.

We will not time or select the grant dates of any stock-based awards in coordination with our release of material non-public information, nor will we have any program, plan or practice to do so.

#### *2014 Decisions*

The 2014 grants awarded in February are summarized below in our *Grants of Plan Based Awards* table herein. All shares vest equally over four annual installments.

| Named Executive Officer  | Restricted Stock Award |           | % of Base Salary |
|--------------------------|------------------------|-----------|------------------|
|                          | # of Shares            | Value (1) |                  |
| Joseph B. Bower, Jr.     | 3,500                  | \$ 60,165 | 14%              |
| Brian W. Wingard         | 1,600                  | \$ 27,504 | 15%              |
| Joseph E. Dell, Jr.      | 1,600                  | \$ 27,504 | 14%              |
| Mark D. Breakey          | 1,700                  | \$ 29,223 | 15%              |
| Richard L. Greslick, Jr. | 1,750                  | \$ 30,083 | 14%              |

(1) Restricted stock award value computed in accordance with ASC Topic 718.

#### *Stock Ownership Guidelines for Executive Officers and Regional Bank Presidents*

In 2014, the Board of Directors adopted Stock Ownership Guidelines for executive officers of the Corporation and CNB Bank and our regional bank presidents because it believes that it is important for the Corporation's future success that senior management own and hold a minimum number of shares of common stock of the Corporation in order to further align their interests and actions with the interests of the Corporation's shareholders. The Stock Ownership Guidelines require executive officers of the Corporation and CNB Bank and our regional bank presidents to own at all times during the period of their employment a number of shares of the Corporation's common stock with a market value equal to 150% or more of the executive's then-base salary. The Stock Ownership Guidelines provide that until a person subject to the Stock Ownership Guidelines achieves full compliance with such guidelines, the person may not dispose of any shares of restricted common stock that vest, other than for tax purposes. The Stock Ownership Guidelines are administered and enforced by the Executive Compensation Committee, and compliance is monitored and reported to the Executive Compensation Committee by the Corporation's President & CEO.

#### *Non-Qualified Deferred Compensation Plans*

We believe that deferred compensation plays an important role in retaining NEOs, as well as assisting them provide for retirement. For that reason, we provide:

The Supplemental Executive Retirement Plan (SERP) Certain NEOs participate in a SERP, which is designed to attract and retain qualified and experienced executive officers. Each SERP is embodied in an agreement between the Bank and the respective NEO. The narrative that follows the Pension Benefits Table on page 28 contains a detailed description of each SERP.

The Executive Deferred Compensation Plan NEOs can participate in the plan, which allows them to defer up to 10% of base compensation and 100% of annual incentive compensation until a date in the future, generally, upon termination of employment. Deferrals are deemed to be invested in Corporation common stock, and the value of a participant's account generally tracks the performance of actual common stock. The Corporation provides no inducement (match or discretionary contribution) for NEOs who participate but believes that this phantom stock arrangement helps align the interest of participants with that of shareholders by focusing on the Corporation's long-term performance.

#### *Retirement Plan*

The Corporation also maintains a 401(k) Savings Plan to help retain employees and provide for their retirement. See Retirement Plan for additional information on the plan.

#### *Perquisites*

The Corporation provides select executives with perquisites that the Executive Compensation Committee believes are reasonable and consistent with its overall compensation philosophy.

Specifically, the Corporation provides Messrs. Bower, Dell and Greslick the use of a vehicle as well as payment of club dues, both of which are included in taxable income. The Corporation also provides payment of club dues for Messrs. Wingard and Breakey, which are included in their taxable income.

The Committee believes that these individuals have appropriate business needs for the perquisites to assist them in the performance of their respective job duties.

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*Employment Contracts*

The Committee believes that the Corporation's continued success depends, to a significant degree, on the skills and competence of certain members of our executive management team. The Corporation and the Bank have entered into executive employment contracts with Messrs. Bower, Greslick, and Wingard, and the Bank has entered into executive employment contracts with Messrs. Breakey and Dell (collectively, the Employment Contracts). These Employment Contracts are intended to ensure that the Corporation and the Bank will continue to maintain and retain experienced executive management.

The Employment Contracts, other than for Messrs. Wingard and Dell, provide for an initial four-year term. The Employment Contract for Mr. Bower does not provide for extension of its term, while the Employment Contracts for Messrs. Greslick, Wingard and Breakey provide that the contract shall automatically renew for successive terms of one year unless either party gives the other party ninety days written notice of his or its intent not to renew the contract prior to the end of the then current term. The initial terms of the Employment Contracts expire on December 31, 2015, except that the initial term of Mr. Wingard's Employment Contract expires on December 31, 2017.

The Employment Contracts provide for a base salary to be established annually by the Board of Directors and for annual increases, stock, stock options/rights and bonuses as may from time to time be awarded by the Board of Directors. The Employment Contracts also provide certain fringe benefits, including a family country club membership for each of Messrs. Bower, Breakey, Greslick, Wingard and Dell (the Senior Executives), as well as an automobile for Mr. Bower. Each Employment Contract contains a covenant not to compete against the Corporation and the Bank, their parent, affiliates or subsidiaries during the term of employment and thereafter until the earlier of (i) the third anniversary of the executive's termination of employment or (ii) the date of a change in control of the Corporation or the Bank. In addition, each Employment Contract contains a covenant to protect the Corporation's and the Bank's confidential information.

The Employment Contracts also provide for severance payments in the event a Senior Executive is terminated without cause, regardless of whether such termination is in connection with a change of control, or voluntarily terminates employment under certain specific circumstances following a change of control. Following such a termination of employment, Messrs. Bower and Greslick will be entitled to receive a lump sum cash payment equal to 2.99 times his base salary for the year in which his employment ends and Messrs. Breakey, Wingard and Dell will be entitled to receive a lump sum cash payment equal to 2.50 times his base salary for the year in which his employment ends. Additionally, Messrs. Bower and Greslick would be entitled to receive a payment in the amount of 2.99 times the average incentive bonus paid over the preceding three year period. Messrs. Breakey, Wingard and Dell will be entitled to receive a payment in the amount of 2.50 times the average incentive bonus paid over the preceding three year period. The potential payments that would have occurred assuming a change of control event at December 31, 2014 were \$1,680,430 for Mr. Bower, \$759,809 for Mr. Greslick, \$632,671 for Mr. Breakey, \$560,167 for Mr. Wingard, and \$590,159 for Mr. Dell.

Cash and benefits paid to a Senior Executive under the Employment Contracts together with payments under other benefit plans following a change of control may constitute an excess parachute payment under Section 280G of the Code, resulting in the imposition of a 20% excise tax on the recipient and the denial of the deduction for such excess amounts to the Corporation or the Bank. If amounts payable to the Senior Executive would be excess parachute payments, then the Senior Executive's severance benefits will be reduced to that amount that would result in no portion being an excess parachute payment unless payment of the full severance amount would result in the executive receiving an amount equal to or greater than 110% of the reduced amount on an after-tax basis. The Employment Contracts do not provide for tax indemnity for any such potential excise taxes that may be due by the Senior Executives.



### **Impact of Accounting and Tax**

The Executive Compensation Committee and Management consider the accounting and tax (individual and corporate) consequences of the compensation plans prior to making changes to the plans.

Section 162(m) of the Internal Revenue Code may limit our ability to deduct for U.S. federal income tax purposes compensation in excess of \$1,000,000 paid to our CEO and other NEOs in any one fiscal year.

The Executive Compensation Committee has considered the impact of the Financial Accounting Standards Board ASC Topic 718 (formerly known as FASB Statement 123R) on the Corporation's equity incentives as a key retention tool.

### **Reducing the Possibility of Excess Risk-Taking**

The Executive Compensation Committee has determined that the risks arising from the compensation policies and practices for employees of the Corporation are not reasonably likely to have a material adverse effect on the Corporation as a whole.

The Executive Compensation Committee noted several design features of the Corporation's cash and stock-based incentive programs that reduce the likelihood of excessive risk-taking:

The program design provides a balanced mix of cash and equity, annual and long-term incentives.

We set performance goals that we believe are reasonable in light of past performance and market conditions.

We balance absolute performance goals and relative performance goals in our annual bonus program.

Equity grants typically vest over a four-year period to encourage our NEOs to maintain a long-term perspective.

Our NEOs are subject to stock ownership guidelines which we believe align our NEOs' interests with the interests of our shareholders.

We use restricted stock because restricted stock retains value even in a depressed market and NEOs will be less likely to take unreasonable risks to get, or keep, options in-the-money.

The Executive Compensation Committee has downward discretion over incentive program payouts.

The annual bonus has a maximum payout level that is 40% of salary.

For compensation benchmarking purposes, we employ an appropriate peer group derived from a standardized process.

The incentive program has a clawback provision resulting in the NEO's requirement to repay a pro-rate portion of an incentive resulting from an accounting restatement.

### **Compensation Committee Report**

The Executive Compensation Committee met with management to review and discuss the Compensation Discussion and Analysis disclosures in this Proxy Statement. Based on such review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and

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incorporated by reference in the Corporation's Form 10-K for the 2014 fiscal year, and the Corporation's Board of Directors has approved that recommendation.

Submitted by the Executive Compensation Committee:

Richard B. Seager, Chairman

Dennis L. Merrey

Robert W. Montler

Jeffrey S. Powell

Nicholas N. Scott,  
Jr.

**Summary Compensation Table**

The following table shows, for the years 2014, 2013, and 2012, the cash compensation paid by the Corporation and its subsidiaries, as well as certain other compensation paid or accrued for those years, to the principal executive officer, the principal financial officer and the next three highest paid executive officers.

| Name and Principal Position  | Year | Salary<br>(\$ (1)) | Restricted<br>Stock Awards<br>(\$ (2)) | Non-Equity<br>Incentive<br>Compensation<br>(\$ (3)) | Change<br>in<br>Pension<br>Value                                   | All Other<br>Compensation<br>(\$ (5)) | Total<br>(\$) |
|--|------|--------------------|--|---|--|---------------------------------------|---------------|
|  |      |                    |  |   | & Nonqualified<br>Deferred<br>Compensation<br>Earnings<br>(\$ (4)) |                                       |               |
| Joseph B. Bower, Jr.,<br>President and Chief Executive<br>Officer of CNB Financial Corp.<br>and CNB Bank   | 2014 | 432,000            | 60,165                                 | 118,800   | 221,212  | 43,690                                | 875,867       |
|  | 2013 | 400,000            | 54,720                                 | 140,000   | 217,250  | 42,017                                | 853,987       |
|  | 2012 | 350,000            | 49,824                                 | 131,250   | 152,153  | 41,817                                | 725,044       |
| Brian W. Wingard<br>Principal Financial Officer and<br>Treasurer of CNB Financial Corp.<br>Chief Financial Officer of CNB<br>Bank                | 2014 | 180,000            | 27,504                                 | 50,400  |  | 24,194                                | 282,098       |
|  | 2013 | 160,000            | 25,650                                 | 49,600  |  | 20,229                                | 255,479       |
|  | 2012 | 115,000            | 6,228                                  | 32,200  |  | 11,570                                | 164,998       |
| Mark D. Breakey, Senior<br>Executive Vice President and<br>Chief Credit Officer of CNB Bank  | 2014 | 199,000            | 29,223                                 | 69,650  | 76,997   | 33,478                                | 408,348       |
|  | 2013 | 184,000            | 27,360                                 | 49,680  | 77,471   | 31,871                                | 370,382       |
|  | 2012 | 175,000            | 24,912                                 | 42,875  | 62,554   | 29,871                                | 335,212       |
| Richard L. Greslick, Jr. Secretary<br>of<br>CNB Financial Corp. Senior<br>Executive Vice President and<br>Chief Operating Officer of CNB<br>Bank | 2014 | 208,000            | 30,083                                 | 41,600  | 16,810   | 37,891                                | 334,384       |
|  | 2013 | 190,000            | 27,360                                 | 42,750  | 15,737   | 30,691                                | 306,538       |
|  | 2012 | 180,000            | 24,912                                 | 54,000  |  | 22,252                                | 281,164       |
| Joseph E. Dell, Jr.<br>Executive Vice President and<br>Chief Lending Officer of CNB<br>Bank (7)  | 2014 | 197,500            | 27,504                                 | 35,550  |  | 33,195                                | 293,749       |
|  | 2013 | 184,000            |  | 41,577  |  | 9,839                                 | 235,416       |
|  | 2012 |                    |  |   |  |                                       |               |

(1) The amounts shown represent amounts earned for the fiscal year, whether or not actually paid during such year.

(2) Reflects shares of restricted stock awarded under the 2009 Stock Incentive Plan valued at the dollar amount recognized for financial reporting purposes in accordance with ASC Topic 718. The shares of restricted stock

that remain subject to forfeiture entitle the named executive officer to all of the rights of a shareholder generally, including the right to vote the shares and receive any dividends that may be paid thereon. The shares of restricted stock awarded vest equally over a four-year period. The shares continue to be subject to risk of forfeiture, which will lapse upon vesting. Accelerated vesting will occur and restrictions will lapse in the event that certain change in control events or normal retirements occur.

- (3) Amount represents cash payments made under the Corporation's Non-equity Incentive Plan.  
 (4) The Change in Pension Value reflects the change in value of the Corporation's non-qualified supplemental executive retirement plan.  
 (5) Amounts stated in this column for 2014 include:

|                          | Profit Sharing<br>Contribution (\$) | 401(k) Match<br>Contribution (\$) | Life Insurance<br>Premiums<br>(\$) | Auto Benefits (\$) | Club Dues (\$) | Total<br>(\$) |
|--------------------------|-------------------------------------|-----------------------------------|------------------------------------|--------------------|----------------|---------------|
| Joseph B. Bower, Jr.,    | 23,751                              | 10,400                            | 885                                | 5,497              | 3,157          | 43,690        |
| Brian W. Wingard         | 15,425                              | 7,554                             | 480                                |                    | 735            | 24,194        |
| Joseph E. Dell, Jr.      | 15,234                              | 8,669                             | 2,064                              | 7,228              |                | 33,195        |
| Mark D. Breakey          | 20,624                              | 9,331                             | 514                                |                    | 3,009          | 33,478        |
| Richard L. Greslick, Jr. | 20,730                              | 9,367                             | 161                                | 5,098              | 2,535          | 37,891        |

- (6) It is the policy of the Corporation to pay dues to certain service and social organizations for the executive officers. The incremental cost of these dues were minimal and the aggregate amount of such compensation as included in All Other Compensation did not exceed \$10,000 for any named executive officer for any of the years shown.  
 (7) Mr. Joseph E. Dell, Jr. was hired as Senior Vice President & Senior Commercial Lending Officer in February 2013 in anticipation of the retirement of Richard L. Sloppy and assumed the position of Executive Vice President and Chief Lending Officer, effective January 1, 2014.

**Grants of Plan-Based Awards in 2014**

| Name                     | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards |             |              | Stock Awards:                      |        | Grant Date Fair Value (\$)(2) |
|--------------------------|------------|---|-------------|--------------|------------------------------------|--------|-------------------------------|
|                          |            | Threshold (\$)(1)   | Target (\$) | Maximum (\$) | Number of Shares of Stock or Units |        |                               |
| Joseph B. Bower, Jr.     | 2/11/14    | N/A   | 43,200      | 172,800      | 3,500                              | 60,165 |                               |
| Brian W. Wingard         | 2/11/14    | N/A   | 18,000      | 72,000       | 1,600                              | 27,504 |                               |
| Joseph E. Dell, Jr.      | 2/11/14    | N/A   | 19,750      | 79,000       | 1,600                              | 27,504 |                               |
| Mark D. Breakey          | 2/11/14    | N/A   | 19,900      | 79,600       | 1,700                              | 29,223 |                               |
| Richard L. Greslick, Jr. | 2/11/14    | N/A   | 21,000      | 84,000       | 1,750                              | 30,083 |                               |

(1) There is no threshold or minimum payment under the 2014 NEO Plan.

(2) Fair value of the stock award computed in accordance with ASC Topic 718.

**Stock Incentive Plan**

The CNB Financial Corporation 2009 Stock Incentive Plan (the 2009 Stock Incentive Plan) was initially adopted by the Corporation's Board of Directors and subsequently approved by the Corporation's shareholders at its annual meeting held in 2009. Certain full or part-time employees of the Corporation, any parent, subsidiary or affiliate thereof, or persons who serve the Corporation or an affiliate as a director, are eligible to receive awards under the 2009 Stock Incentive Plan. Awards may be granted in the form of non-statutory stock options or restricted stock awards. The 2009 Stock Incentive Plan provides that the option exercise price for each share of common stock covered by a stock option will not be less than the fair market value of a share of common stock on the date the option is granted and that the term of the option may not exceed ten years from the grant date. For this purpose, fair market value is determined by reference to the closing price of the common stock on the date of grant or, if the grant date is not a trading day, the trading day immediately preceding the grant date.

Restricted stock awards will become vested pursuant to the terms of the applicable restricted stock award agreement. All awards of restricted stock reflected in the Outstanding Equity Awards at 2014 Fiscal Year-End table reflect a four-year vesting schedule (25% per year).

During 2014, the Executive Compensation Committee approved additional restricted stock grants to certain named executive officers to encourage sustained long-term growth. These awards are reflected above in the Grants of Plan-Based Awards in 2014 table.

**Outstanding Equity Awards at 2014 Fiscal Year-End**

| Name | Stock Awards                          |  |
|------|---------------------------------------|--|
|      | Number of Shares That Have Not Vested | Market Value of Shares That Have Not Vested (\$) |

|                          |           | (1)    |
|--------------------------|-----------|--------|
| Joseph B. Bower, Jr.     | 625 (2)   |        |
|                          | 1,600 (3) | 11,563 |
|                          | 2,400 (4) | 29,600 |
|                          |           | 44,400 |
|                          | 3,500 (5) | 64,750 |
| Brian W. Wingard         | 200 (3)   |        |
|                          | 1,125 (4) | 3,700  |
|                          |           | 20,813 |
|                          | 1,600 (5) | 29,600 |
| Joseph E. Dell, Jr.      | 1,600 (5) | 29,600 |
| Mark D. Breakey          | 300 (2)   |        |
|                          | 800 (3)   | 5,550  |
|                          | 1,200 (4) | 14,800 |
|                          |           | 22,200 |
|                          | 1,700 (5) | 31,450 |
| Richard L. Greslick, Jr. | 162 (2)   |        |
|                          | 800 (3)   | 2,997  |
|                          | 1,200 (4) | 14,800 |
|                          |           | 22,200 |
|                          | 1,750 (5) | 32,375 |

(1) The amount shown represents the number of stock awards that have not vested multiplied by the closing price of the Corporation's common stock on December 31, 2014, which was \$18.50.

(2) Stock awards vest 25% on each anniversary of the grant date, which was January 11, 2011.

(3) Stock awards vest 25% on each anniversary of the grant date, which was February 14, 2012.

(4) Stock awards vest 25% on each anniversary of the grant date, which was February 12, 2013.

(5) Stock awards vest 25% on each anniversary of the grant date, which was February 11, 2014.

The following table sets forth information concerning the vesting in 2014 of restricted stock awards granted to the named executive officers, as well as stock options exercised in 2014 by the named executive officers.

| Name                     | Option Awards                             |                                 | Stock Awards                             |                                    |
|--------------------------|---|---------------------------------|--|------------------------------------|
|                          | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) (1) |
| Joseph B. Bower, Jr.     | 8,000                                     | 19,271                          | 2,725                                    | 47,995                             |
| Brian W. Wingard         |   |                                 | 475                                      | 8,110                              |
| Joseph E. Dell, Jr.      |   |                                 |  |                                    |
| Mark D. Breakey          | 5,000                                     | 7,042                           | 1,375                                    | 24,225                             |
| Richard L. Greslick, Jr. |   |                                 | 1,063                                    | 18,547                             |

(1) Value realized calculated by multiplying the number of shares vesting by the closing price of the Corporation's common stock on the applicable vesting dates.

#### Pension Benefits

| Name                     | Plan Name                                  | Number of Years Credited | Present Value of Accumulated Benefit (\$) |
|--------------------------|--|--------------------------|---|
| Joseph B. Bower, Jr.     | Supplemental Executive Retirement Plan (1) | 17                       | 1,041,303                                 |
| Brian W. Wingard         |  | N/A                      |   |
| Joseph E. Dell, Jr.      |  | N/A                      |   |
| Mark D. Breakey          | Supplemental Executive Retirement Plan (1) | 23                       | 408,579                                   |
| Richard L. Greslick, Jr. | Supplemental Executive Retirement Plan (1) | 16                       | 32,547                                    |

(1) The Supplemental Executive Retirement Plan is described below. This plan is offset by tax-free earnings from Bank owned life insurance.

#### Retirement Plan

The Corporation maintains the CNB Bank Employee's Savings and Profit Sharing Plan and Trust (referred to herein as the Plan). The Plan permits eligible employees to make pre-tax contributions up to 70% of salary. Employees 21 years of age or over with a minimum of one year full time service are eligible for matching contributions by the Corporation at 100% of elective contributions not to exceed 3% of plan salary plus 50% of elective contributions that exceed 3% of plan salary but do not exceed 5% of plan salary. A profit sharing non-contributory pension plan component is in place for employees 21 years of age or over with a minimum of one year full time service and allows employer



contributions of 6% based on current year's compensation plus 5.7% of the compensation for all employees in excess of \$117,000, subject to a \$260,000 salary limit. The Corporation's total contributions to the Plan for all employees were approximately \$620,000 for the 401(k) savings plan component and \$1,044,000 for the profit sharing non-contributory pension plan component.

### **Supplemental Executive Retirement Plan**

The Internal Revenue Code places certain limitations on pension benefits that may be paid from the trusts of tax-qualified plans. Because of these limitations and in order to provide certain executives with adequate retirement income, the Bank has entered into supplemental retirement agreements (also called salary continuation plan agreements or SERP) which provide retirement benefits to the named executives in the manner discussed below.

The Bank has entered into agreements with Messrs. Bower, Greslick and Breakey to provide each executive with an annual supplemental retirement benefit at age 65 equal to 75% of the executive's final average compensation (i.e., average annual base salary for prior three years plus average annual bonus for prior five years) paid for twenty years reduced, as applicable, by amounts attributable to Social Security, the annual benefit that could be provided by contributions by the Company and Bank (other than the executive's elective deferrals) to the CNB Bank Employee's Savings and Profit Sharing Plan and Trust and the earnings on those amounts, calculated on an actuarial equivalent basis.

Reduced amounts will be payable under each SERP in the event the NEO takes early retirement after age 55. Reduced amounts will also be paid in twenty equal annual installments to a designated beneficiary if the executive dies or becomes disabled prior to the commencement of benefits and any unpaid installments will be paid to such beneficiary if the executive dies after the commencement of benefits.

The SERP is considered an unfunded plan for tax purposes and a top hat plan for purposes of ERISA. All obligations arising under the SERP are payable from the general assets of the Bank.

The SERP also provides for termination and change of control benefits with such benefits payable over a twenty year period. If a termination or change of control would have occurred at December 31, 2014, the following aggregate amounts would have been paid: Mr. Bower change in control \$4,357,053, termination - \$0; Mr. Greslick change of control - \$1,606,654, termination - \$0; and Mr. Breakey change of control \$1,127,695, termination - \$0.

### **Directors and Executives Deferred Compensation Plan**

We have established the Directors and Executive Deferred Compensation Plan. Annually, outside directors can elect to defer up to 100% of their director compensation and executives can defer up to 75% of their base compensation and 100% of all bonuses. All deferred compensation will be a general liability of the Corporation and Bank, respectively. This is a phantom stock plan whereby any appreciation or depreciation in each participant's account value will reflect precisely CNB Financial Corporation common stock performance including cash dividends. Deferred compensation will serve as a funding source for a Rabbi trust. Investments are expected to closely match the appreciated or depreciated liability. Distributions are received in lump sum or a ten year annuity upon normal retirement, death, or disability. Any variance will be adjusted by an expense or gain to the Corporation or Bank. The plan provides tax advantages to the participants and participation in the plan further aligns the interests of participants with those of our shareholders. Accounting treatment for this plan is subject to the ASC Topic 718.

### **Nonqualified Deferred Compensation**

None of the named executive officers participated or in the Corporation's Nonqualified Executive Deferred Compensation plan during 2014 or had a plan account balances as of December 31, 2014.

### **Termination and Change in Control Benefits**

As discussed under Employment Contracts and Supplemental Executive Retirement Plan, above, the Corporation provides additional benefits to certain named executive officers in the event of retirement or termination of

employment in certain circumstances and in the event of a change in control. We have summarized and quantified the estimated payments under the agreements, assuming a termination event occurred on December 31, 2014, below.

|                                  | <b>Joseph B. Bower,</b> | <b>Brian W. Wingard</b> | <b>Mark D. Brearley</b> | <b>Richard L. Greslick</b> | <b>Joseph E. Dell, Jr.</b> |
|----------------------------------|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------|
| <b>Retirement or Disability</b>  |                         |                         |                         |                            |                            |
| Restricted Stock Vesting         | 150,313                 | 54,113                  | 74,000                  | 72,372                     | 29,600                     |
| <b>Death</b>                     |                         |                         |                         |                            |                            |
| Restricted Stock Vesting         | 150,313                 | 54,113                  | 74,000                  | 72,372                     | 29,600                     |
| <b>Discharge Without Cause</b>   |                         |                         |                         |                            |                            |
| <b>No Change in Control</b>      |                         |                         |                         |                            |                            |
| Lump Sum Cash Payment            | 1,680,430               | 560,167                 | 632,671                 | 759,809                    | 590,159                    |
| SERP Payment                     |                         |                         | 907,923                 |                            |                            |
| Increased SERP Benefit           |                         |                         | 499,344                 |                            |                            |
| <b>Discharge Without Cause</b>   |                         |                         |                         |                            |                            |
| <b>Change in Control-Related</b> |                         |                         |                         |                            |                            |
| Lump Sum Cash Payment            | 1,680,430               | 560,167                 | 632,671                 | 759,809                    | 590,159                    |
| SERP Payment                     |                         |                         | 907,923                 |                            |                            |
| Increased SERP Benefit           | 3,315,751               |                         | 719,116                 | 1,574,107                  |                            |

## **Executive Compensation Committee Interlocks and Insider Participation**

The members of the Executive Compensation Committee are Messrs. Seager (Chairman), Merrey, Montler, Powell and Scott. No person who served as a member of the Committee during 2014 was a current or former officer or employee of the Corporation or any of its subsidiaries or, except as disclosed below, engaged in certain transactions with the Corporation required to be disclosed by regulations of the SEC. Additionally, there were no compensation committee interlocks during 2014, which generally means that no executive officer of the Corporation served as a director or member of the compensation committee of another entity, one of whose executive officers served as a director or member of the Executive Compensation Committee of the Corporation.

## **CERTAIN TRANSACTIONS**

Directors and officers of the Corporation and certain business organizations and individuals associated with them have been customers of and have had normal banking transactions with CNB Bank. All such transactions have been in the ordinary course of business, on terms substantially equivalent, including interest rates and collateral, to those which prevailed at the time in comparable transactions with persons not related to the Corporation or the Bank and do not involve more than the normal risk of collectability or present other unfavorable features.

## **Code of Ethics**

The Board of Directors of the Corporation has approved a Code of Ethics for Officers and Directors. The Code of Ethics can be found at the Bank's website, [www.bankcnb.com](http://www.bankcnb.com), under "Who We Are - Investor Relations" heading. Click on "Corporate Governance" then go to "Code of Conduct".

## **Policies and Procedures Regarding Transactions with Related Persons**

Pursuant to the Corporation's Code of Conduct, directors, officers, agents, attorneys and immediate family members of such persons and business entities in which such persons have, directly or indirectly, a majority or controlling interest should at all times be free of any conflicting interests when acting on behalf of the Corporation or any of its affiliates.

The Code of Conduct specifies that loan transactions involving such persons will be governed by regulatory rules and regulations restricting rates and terms, the Corporation's general lending policies and the Corporation's insider loans policy and such loans must be approved by an authorized lending officer other than the person in question.

The Code of Conduct further requires that all potential conflict of interest situations be reported. Any person who wishes to obtain approval of a particular action, or waiver of any requirements of the Code of Conduct in any particular situation, must apply for approval or waiver by disclosing all relevant facts and circumstances to the approving authority. For directors, the Corporation's Board of Directors may grant approval or waivers. For officers, the executive officer responsible for the department to which the officer is assigned may grant approval or waivers and for all others, the Corporation's Chairman or President may grant such approval or waivers. Persons subject to the Code of Conduct and wishing to engage in a purchase, lease or sale of any assets or services from or to the Corporation or any of its affiliates, other than in the ordinary course of business, must disclose the facts to the Corporation's Board of Directors, which shall then determine whether to approve such transaction.

**STOCK OWNERSHIP****Stock Owned by Management and Directors**

The following table presents information known to us regarding the beneficial ownership of our common stock as of the record date of March 2, 2015 by each of our directors and named executive officers and by all of our directors, named executive officers and other executive officers as a group. All information as to beneficial ownership has been provided to us by the directors, named executive officers and other executive officers, and unless otherwise indicated, each of the directors, named executive officers and other executive officers has sole voting and investment power over all of the shares they beneficially own.

| Name  | Shares Beneficially<br>Owned (1) | Percentage<br>of<br>Shares<br>Outstanding<br>(5) |
|---|----------------------------------|--|
| Dennis L. Merrey  | 53,968 (2)                       | *  |
| Joseph B. Bower, Jr.                                      | 30,462 (2) (3)                   | *  |
|   | 146,527 (4)                      | 1.0%   |
| Joseph E. Dell, Jr.                                       | 4,150                            | *  |
| William F. Falger   | 54,436 (2) (3)                   | *  |
| Robert D. Hord  | 190,893                          | 1.3%   |
| Robert W. Montler   | 46,864                           | *  |
| Joel E. Peterson  | 5,510                            | *  |
| Deborah Dick Pontzer                                      | 11,331                           | *  |
| Jeffrey S. Powell   | 264,415 (2)                      | 1.8%   |
| James B. Ryan   | 59,310                           | *  |
| Richard B. Seager   | 7,342                            | *  |
| Peter F. Smith  | 61,500 (2)                       | *  |
| Mark D. Breakey   | 18,950                           | *  |
| Richard L. Greslick, Jr.                                  | 9,419                            | *  |
| Nick Scott, Jr.   | 5,126                            | *  |
| Brian W. Wingard  | 7,527                            | *  |
| Directors and Executive Officers as<br>Group (19 persons) | 871,290                          | 6.0%   |

(1) Information furnished by directors and executive officers.

(2) Includes joint ownership with relatives as to which the director or officer has joint voting or investment powers.

(3) Includes shares through a trust or pension plan agreement.

(4) Includes shared voting rights for shares indirectly held in trust for the CNB Bank Employee Savings and Profit Sharing Plan and Trust.

(5) \* represents less than 1%.

**Stock Owned by 5% Shareholders**

The following table presents information regarding the beneficial ownership of our common stock as of March 2, 2015 by each person who is known to us to be the beneficial owner of more than 5% of our outstanding common stock.

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percentage of Shares Outstanding |
|--------------------------------------|---|----------------------------------|
| Endicott Opportunity Partners        | 759,581 (1)                               | 5.26%                            |

III, LP and related persons

360 Madison Avenue,

21st Floor,

New York, NY 10017

(1) According to the most recent Schedule 13G/A filed with the SEC on February 14, 2012, by Endicott Opportunity Partners III, L.P. ( EOP ), W.R. Endicott III, L.L.C. ( WR LLC ), Endicott Management Company ( EMC ), Wayne K. Goldstein ( Mr. Goldstein ), a managing member of WR LLC and Co-President and director of EMC, and Robert I. Usdan ( Mr. Usdan ), a managing member of WR LLC and Co-President and director of EMC, (i) EOP, WR LLC, EMC, Mr. Goldstein and Mr. Usdan each reported that they had shared voting power and shared dispositive power of 759,581 shares.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Based upon a review of filings with the Securities and Exchange Commission or written representations that no other reports were required, we believe that all of our Directors and Executive Officers and persons, if any, who beneficially own more than 10% of our common stock complied during 2014 with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, except that one report on Form 4 covering one transaction was filed late for Ms. Pontzer.

**SHAREHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING**

The Board of Directors will consider shareholder proposals for the year 2016 annual meeting of shareholders. Any shareholder wishing to make a proposal to be considered for inclusion in the Proxy Statement for that meeting should forward a written copy of such proposal to Joseph B. Bower, Jr., President, CNB Financial Corporation, P.O. Box 42, Clearfield, PA 16830 by certified mail, return receipt requested, no later than November 20, 2015. Any shareholder who intends to propose any other matter to be acted upon at the 2016 annual meeting of shareholders (but not include such proposal in the Proxy Statement) must inform the Corporation no later than February 1, 2016.

By Order of the Board of Directors,

/s/ Richard L. Greslick, Jr.  
Richard L. Greslick, Jr., Secretary

Clearfield, Pennsylvania  
March 17, 2015

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

PROXY FOR ANNUAL MEETING OF  
SHAREHOLDERS APRIL 21, 2015

The undersigned hereby appoint Ms. Donna Collins and Ms. Kylie Ogden and each of them the undersigned's true and lawful attorneys and proxies (with full power of substitution in each) to vote all stock of CNB Financial Corporation held of record in the undersigned's name(s) on March 2, 2015 at the Annual Meeting of Shareholders to be held at the Lock Haven University, Clearfield Campus, 201 University Drive, Clearfield, PA 16830 on April 21, 2015 or at any adjournment thereof.

1. ELECTION OF DIRECTORS:

To elect the Board's nominees named below to serve as Class 3 Directors until the Annual Meeting in the year 2018.

|  |  |   |
|--|--|---|
| <input type="checkbox"/> FOR<br>all nominees | <input type="checkbox"/> FOR<br>all nominees except those for<br>which I/we withhold authority<br>*(see INSTRUCTION below) | <input type="checkbox"/> WITHHOLD<br>for all nominees |
|--|--|---|

Joseph B. Bower, Jr. Robert W. Montler Joel E. Peterson Richard B. Seager

\*INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY NOMINEE(S), WRITE NOMINEE'S NAME IN THIS SPACE.

2. Advisory vote on Executive Compensation.

|                              |                                  |                                  |
|------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> FOR | <input type="checkbox"/> AGAINST | <input type="checkbox"/> ABSTAIN |
|------------------------------|----------------------------------|----------------------------------|

3. Ratification of appointment of independent registered public accounting firm, Crowe Horwath, LLP for the year ending December 31, 2015.

|                              |                                  |                                  |
|------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> FOR | <input type="checkbox"/> AGAINST | <input type="checkbox"/> ABSTAIN |
|------------------------------|----------------------------------|----------------------------------|

4. Transact such other business as may properly come before said meeting.  
IF ANY OTHER BUSINESS IS PRESENTED AT SAID MEETING, THE NAMED PROXIES ARE AUTHORIZED TO VOTE THEREON AT THEIR DISCRETION.

In the absence of contrary directions, this proxy will be voted FOR all of the named nominees, FOR the executive compensation and FOR ratification of the appointment of auditors.

Number of shares  
of record on  
March 2, 2015

Dated \_\_\_\_\_ 2015



Signature

Signature