

CNB FINANCIAL CORP/PA  
Form PRE 14A  
March 01, 2019  
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**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 §240.14a-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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

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P.O. Box 42

Clearfield, PA 16830

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of CNB FINANCIAL CORPORATION will be held at the Main Office of CNB Bank, One South Second Street, Clearfield, PA 16830 on Tuesday, April 16, 2019, at 2:00 P.M. for the following purposes:

1. **ELECTION OF DIRECTORS:** To elect three Class 2 directors to serve until the Annual Meeting in the year 2022 or until their respective successors are elected and qualified.
2. **DIRECTOR ELECTION CHARTER AMENDMENT:** To amend our Amended and Restated Articles of Incorporation (the Articles of Incorporation ) to specify the voting standard to be used in the election of directors to the Board of Directors (the Director Election Charter Amendment ).
3. **UNCERTIFICATED SHARES CHARTER AMENDMENT:** To amend our Articles of Incorporation to authorize the issuance of uncertificated shares of any or all classes and series of the Corporation's shares (the Uncertificated Shares Charter Amendment ).
4. **BYLAWS AMENDMENT:** To amend the CNB Financial Corporation Bylaws (the Bylaws ) to decrease the percentage of shareholders needed to call a special meeting of the shareholders from 50% to 20% (the Bylaws Amendment ).
5. **CNB FINANCIAL CORPORATION 2019 OMNIBUS INCENTIVE PLAN:** To approve adoption of the CNB Financial Corporation 2019 Omnibus Incentive Plan.
6. **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, the compensation tables, and the related narrative executive compensation disclosures contained in the Proxy Statement (a say-on-pay vote).
7. **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM:** To ratify the appointment of Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2019.

8. TRANSACTION OF OTHER BUSINESS: To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors of CNB Financial Corporation fixed February 26, 2019, 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, 2018, the Annual Report Highlights, and the Proxy Statement and form of proxy for the meeting are enclosed.

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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 RECOMMENDS A VOTE FOR EACH OF PROPOSALS ONE, TWO, THREE, FOUR, FIVE, SIX, SEVEN AND EIGHT 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,

Richard L. Greslick, Jr., Secretary

Clearfield, Pennsylvania

[ ], 2019

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held April 16, 2019. This Proxy Statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and our 2018 Annual Report are available free of charge on the Investor Relations section of our website ([www.cnbbank.bank](http://www.cnbbank.bank)).**

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**CNB FINANCIAL CORPORATION**

**1 SOUTH SECOND STREET**

**CLEARFIELD, PA 16830-0042**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS TO BE HELD**

**TUESDAY, APRIL 16, 2019, 2:00 p.m.**

**ABOUT THE MEETING**

**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 (the Board ) for use at the Annual Meeting of Shareholders to be held on Tuesday, April 16, 2019 at 2:00 p.m.

The Corporation is 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 ( CNB Bank or the Bank ), CNB Securities Corporation, CNB Risk Management, Inc., Holiday Financial Services Corporation 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 approval of the Director Election Charter Amendment, FOR approval of the Uncertificated Shares Charter Amendment, FOR approval of the Bylaws Amendment, FOR approval of the CNB Financial Corporation 2019 Omnibus Incentive Plan, FOR approval of the non-binding advisory resolution on the compensation program for our NEOs (as defined below), and FOR ratification of the appointment of our independent registered public accounting firm for the year 2019. The Board 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. 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 [ ], 2019.

**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. 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 matters under consideration at the annual meeting. Shareholders have one vote for each share held.

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### **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 has fixed the close of business on February 26, 2019 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 15,239,527 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 (17 persons) beneficially owned 582,582 shares, or 3.8%, of the total number of outstanding shares.

### **Procedures**

Whether you hold shares directly as a registered shareholder of record or beneficially in street name, you may vote without attending the meeting. You may vote by granting a proxy or, for shares held beneficially in street name, by submitting voting instructions to your broker, bank or other trustee or nominee. In most cases, you will be able to do this by using the internet, by telephone or by mail.

Voting by internet or telephone You may submit your proxy over the internet or by telephone by following the instructions for internet or telephone voting provided with your proxy materials and on your proxy card or voter instruction form.

Voting by mail You may submit your proxy by mail by completing, signing, dating and returning your proxy card or, for shares held beneficially in street name, by following the voting instructions included by your broker or other intermediary. If you provide specific voting instructions, your shares will be voted as you have instructed.

Under current New York Stock Exchange ( NYSE ) rules, which govern NYSE brokerage members, the proposal to ratify the appointment of independent auditors (Proposal 7) 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 with respect to the election of directors (Proposal 1), the Director Election Charter Amendment (Proposal 2), the Uncertificated Shares Charter Amendment (Proposal 3), the Bylaws Amendment (Proposal 4), the CNB Financial Corporation 2019 Omnibus Incentive Plan (Proposal 5) and say-on-pay (Proposal 6), 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**

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The Corporation is required to file an Annual Report on Form 10-K (the Form 10-K ) for the 2018 fiscal year with the U.S. 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.cnbbank.bank](http://www.cnbbank.bank)).

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

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 has elected to fix the number of Class 2 directors at three and the number of Class 1 and Class 3 directors at four. One class of directors is to be elected annually for a three-year term. The three nominees named below are nominated to serve as Class 2 directors to hold office for a three-year term expiring at the third succeeding annual meeting (in the year 2022). 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 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, 2018, 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 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's judgment, meet the standards for independence as required by NASDAQ.

**NOMINEES: Class 2 directors for three year terms expiring at the time of the annual meeting in 2022.**

<b>Name</b>	<b>Age at December 31, 2018</b>	<b>Business Experience (Past Five Years)</b>	<b>Positions Held at CNB</b>	<b>Director Since</b>
Richard L. Greslick, Jr.	42	Senior Executive Vice President, Chief Support Officer and Secretary, CNB Financial Corp. and CNB Bank	Senior Executive Vice President, Chief Support Officer and Secretary, CNB Financial Corp. and CNB Bank	1/1/2012
Deborah Dick Pontzer	58	Economic Development and Workforce Specialist for Congressman		6/10/03
Independent Director				

Nicholas N. Scott	46	Glenn Thompson Vice President/Owner Scott Enterprises (Hospitality Industry)	5/14/13
Independent Director			

**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 the 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 Support Officer ( CSO ) 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.

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**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, including working as a senior associate in the Business Investigation Services Group for a Big 4 international firm. Ms. Pontzer also served as executive director for the Community Education Council of Elk and Cameron Counties, and her duties included preparation of budgetary, financial, and statistical data, as well as income and payroll tax reporting. Mr. Pontzer served as director of Outreach and Business Services for the University of Pittsburgh at Bradford. In that position, she supervised staff who prepared prospective financial statements for small businesses and entrepreneurs, managed grant funds, and oversaw the operation of the adult continuing education division. She is active in her community and currently serves as a Trustee for The Stackpole-Hall Foundation, including services on the foundation's Audit and Investment Committees. 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 Board.

**Nicholas N. Scott** 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 a 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 to the Board.

## **Vote Required**

Under our Bylaws, to be elected in an uncontested election, director nominees must receive the affirmative vote of a majority of the votes cast (the number of shares voted FOR a director nominee must exceed the number of votes cast AGAINST that director nominee). For purposes of the election of directors, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast for or against a nominee's election and will have no effect on the result of the vote. There is no cumulative voting with respect to the election of directors.

If an incumbent director fails to be reelected by a majority of votes cast, that director is required under our Bylaws to promptly deliver to the Board his or her irrevocable offer to resign from the Board. The Board will consider such director's offer to resign, taking into consideration any such factors that the Board deems relevant in deciding whether to accept such director's resignation, including any recommendation of the Corporate Governance/Nominating Committee. The Board is required to act on such director's resignation within 90 days after the election results are certified.

## **Our Recommendation**

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



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The following Class 1 directors terms expire at the time of the annual meeting in 2020.

Name	Age at December 31, 2018	Business Experience (Past Five Years)	Positions Held at CNB	Director Since
Peter F. Smith	64	Chairperson of the Board		9/12/1989
Independent Director		Attorney at Law		
Jeffrey S. Powell	54	President, J.J. Powell, Inc. (Petroleum Distributor)		12/27/1994
Independent Director				
Francis X. Straub, III	58	Owner/Pharmacist/CFO/Director, St. Mary's Pharmacy		4/19/2015
Independent Director				
Peter C. Varischetti	49	President, Varischetti Holdings, LP		7/1/2015
Independent Director				

**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. Mr. Smith's legal experience provides the Corporation's Board with valuable insight into legal matters affecting it and its markets. Mr. Smith also brings strong corporate governance experience to the Board.

**Jeffrey S. Powell** serves as Audit Committee Chairperson. He 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 marketer, as well as Snappy's Convenience Stores. Mr. Powell's extensive executive experience in the petroleum marketing and retail convenience industry provide strong knowledge regarding finance, operations compliance and planning to the Board.

**Francis X. Straub, III**, managing executive officer and director of St. Marys Pharmacy, Inc. and Bennetts Valley Pharmacy, Inc., was appointed to the board of CNB Bank in November 2015. Mr. Straub brings a diverse background in healthcare and entrepreneurial culture, which began in his family's pharmacy over 40 years ago. Mr. Straub holds a Bachelor of Science degree in the field of pharmacy from Duquesne University and has been a practicing, licensed pharmacist at St. Marys Pharmacy for over 30 years. He has served on numerous charitable and public service boards and currently serves as a member of the Board of Directors/Treasurer at Value Drug Company, Executive Team Board

Member/Vice Chairperson at Penn Highlands Elk and Chairperson of the Board of PCC Management Holdings Inc. Additionally, Mr. Straub is involved with industrial manufacturing, oil and gas production, medical services and commercial real estate development.

**Peter C. Varischetti**, President of Varischetti Holdings, LP, was appointed to the board of CNB Bank and CNB Financial Corporation in July 2015. He has served on numerous charitable and public service boards and currently serves as director and officer of Guardian Elder Care Holdings, Inc., and chairperson of both the Brockway Schools and Community Education Foundation, and the Brockway Center for Arts & Technology. Mr. Varischetti is a board member of DuBois Central Catholic and serves on the Erie Diocesan Finance Council and the Parish Finance Council of St. Tobias Church. Mr. Varischetti serves on the board of directors for the Frank Varischetti Foundation, is a member of the Board of Trustees for the University of Pittsburgh and is chairperson of the School of Health and Rehabilitation Sciences Board of Visitors. Mr. Varischetti earned a Bachelor of Science in Business Administration and Psychology from the University of Pittsburgh.

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The following Class 3 directors terms expire at the time of the annual meeting in 2021.

Name	Age at December 31, 2018	Business Experience (Past Five Years)	Positions Held at CNB	Director Since
Joseph B. Bower, Jr.	55	President and Chief Executive Officer, CNB Financial Corp. and CNB Bank	President and Chief Executive Officer, CNB Financial Corp. and CNB Bank	4/19/2005
Robert W. Montler	67	Chairperson and CEO, Lee Industries (Manufacturer)		6/28/2005
Independent Director Joel E. Peterson	60	President, Clearfield Wholesale Paper (Wholesaler)		9/13/2011
Independent Director Richard B. Seager	61	President and CEO, Journey Health System (Mental Health)		12/14/2010

**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 Chairperson and CEO of Lee Industries. Mr. Montler is also President and 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, including services on audit committees for two of the institutions. In addition, Mr. Montler has an extensive background in executive level financial management, internal control over financial reporting, and the application of generally accepted accounting principles in the United States. He held a senior level audit position with a regional public accounting firm and has also worked as both controller and Executive VP/Chief Financial Officer for Lee Industries. As a result, the Board has determined that Mr. Montler qualifies as an audit committee financial expert as defined in applicable SEC rules, and has designated Mr. Montler as such on the Corporation's Audit Committee. Mr. Montler has served and continues to serve on various boards within the community. Mr. Montler's experience as Chairperson and CEO of Lee Industries and President and CEO of 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 the owner and President of Clearfield Wholesale Paper and participates in the governance of many community organizations. Mr. Peterson, by virtue of his executive service, brings meaningful corporate governance experience to the Board.

**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 Board with knowledge of the market area and strong governance experience as a result of his executive experience as President and CEO of Journal Health System.

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

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**PROPOSAL 2. DIRECTOR ELECTION CHARTER AMENDMENT**

We are asking our shareholders to amend our Articles of Incorporation to specify the voting standard to be used in the election of directors to the Board.

Our Articles of Incorporation do not provide a voting standard to be used in the election of directors to the Board.

Pursuant to Article IV,

Section 4.02(b) of our Bylaws, directors are elected by the shareholders. In elections for directors, voting is by ballot and, if a quorum is present, directors are elected by a majority of votes cast. For the purposes of this Section 4.02(b), a majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against that director. In the event of a contested election, directors are elected by a plurality of the votes cast. A contested election occurs if, as determined by the Board, the number of nominees exceeds the number of directors to be elected.

Section 1758(b) of the Pennsylvania Business Corporation Law (the BCL ), however, provides that directors are elected by a plurality of the votes cast. To the extent a corporation's articles of incorporation are inconsistent with the BCL, the articles of incorporation supersede. As such, we believe that amending our Articles of Incorporation to provide that directors will be elected by a majority of votes cast in an uncontested election and a plurality of votes cast in a contested election will eliminate any confusion between our Bylaws and the BCL.

After careful consideration, we believe that such action is in our best interests and in the best interests of our shareholders. The new Article 10 of our Articles of Incorporation will provide that directors are elected by a majority of votes cast in an uncontested election and a plurality of votes cast in a contested election. A copy of the proposed amendment to our Articles of Incorporation is attached as Appendix A to this Proxy Statement and incorporated by reference into this proposal.

**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. For purposes of the vote on this proposal, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote.

**Our Recommendation**

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

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**PROPOSAL 3. UNCERTIFICATED SHARES CHARTER AMENDMENT**

We are asking our shareholders to amend our Articles of Incorporation to authorize the issuance of uncertificated shares of any or all classes and series of the Corporation's shares.

Our Articles of Incorporation are silent as to whether the Corporation's shares must be certificated. Section 1538(f) of the BCL permits any or all classes and series of a corporation's shares to be uncertificated if the corporation expressly so provides in its articles of incorporation. We believe that amending our Articles of Incorporation to provide for the issuance of uncertificated shares of common stock will be more cost effective for the Corporation and more convenient for our shareholders.

We believe that such action is in our best interests and in the best interests of our shareholders. The new Article 11 of our Articles of Incorporation will provide for the issuance of uncertificated shares of any or all classes and series of the Corporation's shares. A copy of the proposed amendment to our Articles of Incorporation is attached as Appendix B to this Proxy Statement and incorporated by reference into this proposal.

**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. For purposes of the vote on this proposal, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote.

**Our Recommendation**

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

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**PROPOSAL 4. BYLAWS AMENDMENT**

We are asking our shareholders to amend our Bylaws to decrease the percentage of shareholders required to call a special meeting of the shareholders from 50% to 20%.

Pursuant to Article III, Section 3.03(a) of our Bylaws, special meetings of the shareholders may be called at any time (1) by the president of the Corporation or by order of the Board; or (2) upon the written request of shareholders entitled to cast at least 50% of the votes that all shareholders are entitled to cast at the particular meeting. Section 1755(b) of the BCL, however, provides that special meetings of the shareholders may be called at any time, unless otherwise provided in the corporation's articles of incorporation, by shareholders entitled to cast at least 20% of the votes that all shareholders are entitled to cast at the particular meeting. We believe that amending our Bylaws to lower the percentage of shareholders required to call a special meeting of the shareholders will eliminate any confusion between the Bylaws and the BCL.

After careful review, we believe that such action is in our best interests and in the best interests of our shareholders. If approved by the shareholders, Article III, Section 3.03(a) of the Bylaw will provide that special meetings of the shareholders may be called at any time (1) by the president of the Corporation or by order of the Board; or (2) upon the written request of shareholders entitled to cast at least 20% of the votes that all shareholders are entitled to cast at the particular meeting. A copy of the proposed amendment to our Bylaws is attached as Appendix C to this Proxy Statement and incorporated by reference into this proposal.

**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. For purposes of the vote on this proposal, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote.

**Our Recommendation**

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

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**PROPOSAL 5. APPROVAL OF THE CNB FINANCIAL CORPORATION 2019 OMNIBUS INCENTIVE PLAN**

We are asking our shareholders to consider and to approve adoption of the CNB Financial Corporation 2019 Omnibus Incentive Plan (the 2019 Plan ).

Upon recommendation of the Executive Compensation Committee of the Board (the ECC ), the Corporation's Board adopted the 2019 Plan on February 12, 2019, subject to and effective upon approval by the shareholders at the Annual Meeting. The Board believes that the 2019 Plan is important to our continued growth and success and that approval of the 2019 Plan is required for us to be able to continue to make equity awards to key persons in a size that the Board believes is necessary to accomplish our goals. The purpose of the 2019 Plan is to (i) provide eligible individuals with an incentive to contribute to the success of the Corporation and to operate and manage the Corporation's business in a manner that will provide for the Corporation's long-term growth and profitability and that will benefit its shareholders and other important stakeholders, including its employees and customers, and (ii) provide a means of recruiting, rewarding, and retaining key personnel. To this end, the 2019 Plan provides for the grant of options, stock appreciation rights ( SARs ), restricted stock, restricted stock units ( RSUs ), deferred stock units, unrestricted stock, dividend equivalent rights, other equity-based awards, and cash bonus awards.

If our shareholders approve the 2019 Plan, the 2019 Plan will become effective on the date of the Annual Meeting, and the 2019 Plan will replace the CNB Financial Corporation 2009 Stock Incentive Plan (the 2009 Stock Incentive Plan ) as the means by which the Corporation makes equity awards to key persons. The 2009 Stock Incentive Plan automatically terminated in accordance with its terms on February 10, 2019.

If our shareholders do not approve the 2019 Plan, the 2019 Plan will not become effective, and we will no longer have an equity incentive plan under which to make equity awards to key persons. The Board believes that, if the 2019 Plan is not approved, our ability to align the interests of key persons with our shareholders through equity-based compensation would be compromised, disrupting our compensation program and impairing our ability to recruit, retain, and reward key people, or requiring us to shift our compensation plan to include more cash compensation.

**Notable Features of the 2019 Plan**

As described in more detail below, certain notable features of the 2019 Plan include:

granting of options or SARs only at a per share exercise price at least equal to the fair market value of a share of our common stock on the grant date;

granting of options or SARs with a ten-year maximum term;

no repricing of options or SARs without prior shareholder approval;

no vesting in dividends or dividend equivalent rights paid on unvested performance-based awards unless the underlying award vests;



no liberal share recycling;

no reload or evergreen share replenishment features; and

limiting the total maximum compensation that may be paid or granted to a non-employee director during a single calendar year.

**Summary of the Material Terms of the 2019 Plan**

A summary of the material terms of the 2019 Plan is set forth below. This summary is qualified in its entirety by the detailed provisions of the 2019 Plan, a copy of which is attached as Appendix D to this Proxy Statement and which is incorporated by reference into this proposal. We encourage shareholders to read and refer to the complete plan document in Appendix D for a more complete description of the 2019 Plan.

*Effective Date; Term.* If approved by our shareholders at the Annual Meeting, the 2019 Plan will become effective as of the date of the Annual Meeting (the Effective Date), and unless terminated sooner in accordance with the terms of the 2019 Plan or extended with shareholder approval, the 2019 Plan will terminate on the day before the tenth anniversary of the Effective Date, April 15, 2029.

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*Administration of the 2019 Plan.* The 2019 Plan generally will be administered by a committee, which we refer to as the Committee, consisting of two or more directors of the Corporation. Each such director will be required to qualify as a non-employee director within the meaning of Rule 16b-3 under the Exchange Act, and for so long as our common stock is listed on the NASDAQ, an independent director under the NASDAQ listing rules. The Committee initially will be the ECC and may be a subcommittee of the ECC that satisfies the foregoing requirements.

The Board will also be authorized to appoint one or more committees of the Board consisting of one or more directors of the Corporation who need not satisfy the requirements for membership above for certain limited purposes permitted by the 2019 Plan, and to the extent permitted by applicable law, the Committee will be authorized to delegate authority to the President and Chief Executive Officer of the Corporation and/or any other officers of the Corporation for certain limited purposes permitted by the 2019 Plan. The Board will retain the authority under the 2019 Plan to exercise any or all of the powers and authorities related to the administration and implementation of the 2019 Plan. References below to the Committee include a reference to the Board or another committee appointed by the Board for those periods in which the Board or such other committee appointed by the Board is acting.

Except where the authority to act on such matters is specifically reserved to the Board under the 2019 Plan or applicable law, the Committee will have full power and authority to interpret and construe all provisions of the 2019 Plan, any award, and any award agreement, and take all actions and to make all determinations required or provided for under the 2019 Plan, any award, and any award agreement, including the authority to:

designate grantees of awards;

determine the type or types of awards to be made to a grantee;

determine the number of shares of our common stock subject to an award or to which an award relates;

establish the terms and conditions of each award;

prescribe the form of each award agreement;

subject to the prohibition on repricing of options and SARs without shareholder approval, amend, modify, or supplement the terms of any outstanding award; and

make substitute awards.

*Types of Awards.* The 2019 Plan provides for the grant of options, SARs, restricted stock, RSUs, deferred stock units, unrestricted stock, dividend equivalent rights, other equity-based awards, and cash bonus awards.

*Eligibility.* All of our employees and the employees of our subsidiaries and affiliates (as defined in the 2019 Plan) are eligible to receive awards under the 2019 Plan. In addition, our non-employee directors and consultants and advisors who perform services for us and our subsidiaries and affiliates may receive awards under the 2019 Plan, other than

incentive stock options. As of February 28, 2019, there were 5 named executive officers, 9 non-employee directors, and approximately 556 employees of the Corporation and its subsidiaries who would be eligible to participate in the 2019 Plan.

*Shares Reserved for Issuance.* The maximum number of shares of common stock that may be issued under the 2019 Plan (the *Share Limit* ) will be equal to the sum of (i) 300,000 shares of our common stock, plus (ii) the number of shares of our common stock available for future awards under the 2009 Stock Incentive Plan as of the Effective Date, plus (iii) the number of shares of our common stock related to awards outstanding under the 2009 Stock Incentive Plan as of the Effective Date that thereafter terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares of our common stock. The maximum number of shares of our common stock available for issuance pursuant to incentive stock options granted under the Plan will be the same as the number of shares of our common stock reserved for issuance under the 2019 Plan. The shares of our common stock that are issued under the 2019 Plan may be authorized and unissued shares of our common stock, treasury shares, or any combination of the foregoing.

*Share Usage.* Shares of our common stock that are subject to awards, including shares of stock acquired through dividend reinvestment, will be counted against the share limit as one share for every one share subject to the award. The number of shares subject to any SARs awarded under the 2019 Plan will be counted against the share limit regardless of the number of shares actually issued to settle the SARs upon exercise. The maximum number of shares issuable under a performance-based award will be counted against the share limit as of the grant date, but such number will be adjusted to equal the actual number of shares issued upon settlement of the performance-based award to the extent different from such number of shares. If any awards terminate, expire, or are canceled, forfeited, exchanged, or surrendered without having been exercised or paid or if any awards are forfeited or expire or otherwise terminate without the delivery of any shares of our common stock or are settled in cash in lieu of shares of our common stock, the shares subject to such awards will again be available for purposes of the 2019 Plan. The share limit, however, will not be increased by the number of shares of our common stock (i) tendered, withheld, or

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subject to an award surrendered in connection with the exercise of an option, (ii) that were not issued upon the net settlement or net exercise of a stock-settled SAR, (iii) deducted or delivered from payment of an award in connection with the Corporation's tax withholding obligations, or (iv) purchased by the Corporation with proceeds from option exercises.

*Limits on Awards.* The maximum number of shares of our common stock subject to options or SARs that may be granted under the 2019 Plan to any person (other than a non-employee director) in a calendar year is 120,000 shares. The maximum number of shares subject to awards other than options or SARs that are stock-denominated that may be granted under the 2019 Plan to any person (other than a non-employee director) in a calendar year is 40,000 shares.

*Non-Employee Director Compensation Limits.* The maximum number of shares of our common stock subject to awards that may be granted under the 2019 Plan in a calendar year to any non-employee director (calculating the value of any such awards based on the grant date fair value of such awards for financial reporting purposes), taken together with any cash fees p