

**Centric Financial Corporation  
4320 Linglestown Road  
Harrisburg, Pennsylvania 17112**

March 2, 2015

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Centric Financial Corporation (the "Company") at the **Colonial Golf & Tennis Club, 4901 Linglestown Road, Harrisburg, Pennsylvania, on Thursday, April 16, 2015 at 9:00 a.m., local time.** The principal business of the meeting is to (i) elect four (4) Class C Directors to the Board of Directors of Centric Financial Corporation for three-year terms; (ii) to vote on a proposal to amend the Company's Articles of Incorporation to authorize the issuance of 11,000,000 shares of Class A voting common stock and 1,000,000 shares of Class B non-voting common stock; and (iii) ratify the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

A Notice of Annual Meeting, Proxy Statement and Proxy are enclosed. It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign, and date your proxy card today and return it in the return envelope provided, even if you plan to attend the annual meeting. This will not prevent you from voting in person at the annual meeting, but will ensure that your vote is counted if you are unable to attend.

The audited financial statements of the Company, as of December 31, 2014, will be sent under separate cover.

We appreciate your continued support of Centric Bank and Centric Financial Corporation and look forward to seeing you at the annual meeting on April 16<sup>th</sup>.

Very truly yours,



Patricia A. Husic  
President & CEO

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**Notice of Annual Meeting of Shareholders  
To be Held April 16, 2015**

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NOTICE IS HEREBY GIVEN, that the Annual Meeting of Shareholders of Centric Financial Corporation (the "Company") will be held on Thursday, April 16, 2015 at 9:00 a.m., local time at the Colonial Golf & Tennis Club, 4901 Linglestown Road, Harrisburg, Pennsylvania, to consider and take action on the following matters:

1. Elect four (4) Directors to Class C for three-year terms expiring in 2018;
2. Approve an amendment to the Company's Articles of Incorporation to authorize the issuance of 11,000,000 shares of Class A voting common stock and 1,000,000 shares of Class B non-voting common stock;
3. Ratify the selection of S.R. Snodgrass, P.C. as the Company's independent registered public accounting firm for 2015; and
4. Transact such other business as may properly come before the Annual Meeting of Shareholders.

Only shareholders of record at the close of business on February 23, 2015 will be entitled to notice of, and to vote at the meeting. The vote of each shareholder is important. A Proxy Statement and Proxy are enclosed with this mailing. You are encouraged to review this material and complete, sign, date and return the proxy in the enclosed postage-paid envelope prior to the meeting. It is important for you to return the proxy and indicate whether or not you plan to attend the Annual Meeting of Shareholders.

**Your Board of Directors recommends a vote "FOR" the election as Directors to Class C of the four nominees listed in the enclosed Proxy Statement; "FOR" the approval of the amendment to the Company's Articles of Incorporation; and "FOR" the ratification of the selection of S.R. Snodgrass, P.C. as the Company's independent registered public accounting firm for 2015.**

By Order of the Board of Directors



Kerry A. Pae, Secretary

Harrisburg, Pennsylvania  
March 2, 2015

## 1. CENTRIC FINANCIAL CORPORATION

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### PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, APRIL 16, 2015

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#### GENERAL INFORMATION

##### *Time and Place of Annual Meeting of Shareholders*

This Proxy Statement contains information about the **Annual Meeting of Shareholders of Centric Financial Corporation (the “Company”) to be held Thursday, April 16, 2015 beginning at 9:00 a.m., at the Colonial Golf & Tennis Club, 4901 Linglestown Road, Harrisburg, Pennsylvania,** and at any adjournments or postponements of the Annual Meeting. The Proxy Statement was prepared at the direction of the Company’s Board of Directors to solicit your proxy for use at the Annual Meeting. It will be mailed to shareholders on or about March 2, 2015.

#### VOTING PROCEDURES

##### *Who is entitled to vote?*

Shareholders owning Company common stock on February 23, 2015, are entitled to vote at the Annual Meeting of Shareholders or any adjournment or postponement of the Annual Meeting. Each shareholder has one vote per share on all matters to be voted on. Shareholders are not permitted to cumulate their votes in the election of directors. On February 23, 2015 there were 4,012,130 shares of Company common stock outstanding.

##### *On what am I voting?*

You will be asked to:

- (i) elect four Directors to Class C for three-year terms expiring in 2018; and
- (ii) approve an amendment to the Company’s Articles of Incorporation to authorize the issuance of 11,000,000 shares of Class A voting common stock and 1,000,000 shares of Class B non-voting common stock; and
- (iii) ratify the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2015.

The Board of Directors is not aware of any other matters to be presented for action at the Annual Meeting of Shareholders. If any other matter requiring a vote of the shareholders would be properly presented at the Annual Meeting, the proxies will vote according to the directions of the Company’s management.

*How does the Board of Directors recommend I vote on the proposals?*

The Board of Directors recommends a vote:

- (i) “FOR” the election of each of the four nominees as Directors to Class C;
- (ii) “FOR” the approval of the amendment to the Company’s Articles of Incorporation;  
and
- (iii) “FOR” ratification of the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2015.

*How do I vote?*

Sign and date each proxy form you receive and return it in the postage-paid envelope provided. If you sign your proxy form but do not mark your choices, your proxy will vote:

- (i) “FOR” the four persons nominated for election as Directors to Class C;
- (ii) “FOR” the approval of the amendment to the Company’s Articles of Incorporation;  
and
- (iii) “FOR” ratification of the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2015.

You may revoke your proxy at any time before it is exercised. To do so, you must (1) give written notice of revocation to the Secretary, Centric Financial Corporation, 4320 Linglestown Road, Harrisburg, Pennsylvania 17112, (2) submit another properly signed proxy with a more recent date and give written notice of this fact to the Secretary of the Company, or (3) vote in person at the Annual Meeting of Shareholders after giving written notice to the Secretary of the Company.

*What is a quorum?*

A “quorum” is the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the outstanding shares. There must be a quorum for the Annual Meeting to be held. Abstentions are counted for purposes of determining the presence or absence of a quorum, but are not considered as a vote cast under Pennsylvania law. Brokers holding shares in street name for their customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. Such shares for which brokers have not received voting instructions from their customers are called “broker non-votes.” Under Pennsylvania law, broker non-votes will be counted to determine if a quorum is present with respect to any matter to be voted upon by shareholders at the Annual Meeting only if such shares have been voted at the Annual Meeting on a matter other than a procedural motion.

*What vote is required?*

The four nominees for election as Directors to Class C receiving the highest number of votes will be elected to the Board of Directors. The affirmative vote of a majority of the votes cast is required to approve the amendment to the Articles of Incorporation and ratify the selection of S.R. Snodgrass, P.C. as the Company's independent auditors.

*Who will count the vote?*

The Judge of Election appointed by the Board of Directors will count the votes cast in person or by proxy at the Annual Meeting.

*How are proxies being solicited?*

In addition to solicitation by mail, the officers, Directors and employees of Centric Financial Corporation may, without additional compensation, solicit proxies by telephone or personal interview. Brokers and other custodians, nominees and fiduciaries will be requested to forward soliciting material to the beneficial owners of common stock held by such persons and will be reimbursed by the Company for their expenses. The cost of soliciting proxies for the Annual Meeting will be borne by the Company.

## **BOARD OF DIRECTORS**

The Board of Directors of Centric Financial Corporation is divided into three classes, Class A, Class B, and Class C. The classes are staggered to expire at successive Annual Meetings of Shareholders. The successors to the class of Directors whose terms will then expire will be elected to hold office for a term expiring at the third succeeding Annual Meeting of Shareholders and when their successors are duly elected and qualified. Set forth below is certain information relating to the nominees for Class C and the current Directors of Class A and Class B. Each of the Company's Directors also serves as a director of the Company's subsidiary, Centric Bank.

Renee J. Conner resigned from the Boards of the Corporation and the Bank as of December 31, 2014. Robert V. Gothier, Sr. retired from the respective Boards as of February 17, 2015. Ms. Conner and Mr. Gothier served as Class A directors since 2007. We would like to thank Ms. Conner and Mr. Gothier for their commitment and service to the Boards and Committee positions they have held during their tenure.

Dr. Ambrish Gupta has been appointed as a Class A Director of the Corporation and a Director of the Bank to fill the vacancy created by Ms. Conner. Dr. Ambrish Gupta is a cardiologist that has been practicing in the medical field for 30 years. In addition to his tenured medical career, Dr. Gupta is also involved in commercial transactions stemming from his ownership of hotels and owning and managing medical commercial properties. Dr. Gupta resides in Virginia and has significant connections to medical professionals in the Pennsylvania, Maryland and DC market. Dr. Gupta has also been a member of Fulton Bank's advisory board for 3 years.

**Nominees for Current Class C Directors for a Three-Year Term Expiring in 2018**

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since<sup>(1)</sup></u>
Frank A. Conte	64	Owner Conte Wealth Advisors, LLC Camp Hill, PA	2007
Patricia A. Husic, CPA	50	President & CEO Centric Financial Corporation and Centric Bank Harrisburg, PA	2006
Dr. Jeffrey W. Keiser	61	Partner & President Forest Hills Dental Associates, P.C. Harrisburg, PA	2007
John A. Maher, CPA Vice Chairman	56	Member Pennsylvania House of Representatives Harrisburg, PA	2007

**Current Class A Directors (Term Expiring in 2016)**

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since<sup>(1)</sup></u>
Fred M. Eسس	75	President & CEO Essis & Sons Carpet One Mechanicsburg, PA	2007
Dr. Ambrish Gupta	57	President Medical Associates of Northern Virginia, Inc. Arlington, VA	2015
Kerry A. Pae Secretary	61	President & Owner Kerry Pae Auctioneers, Inc. Palmyra, PA	2006

### **Current Class B Directors (Term Expiring in 2017)**

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since</u> <sup>(1)</sup>
Steven P. Dayton	56	Self-employed Harrisburg, PA	2007
Donald E. Enders, Jr. Chairman of the Board	63	President Colonial Park Realty Company Harrisburg, PA	2006
Thomas H. Flowers, CPA	46	Certified Public Accountant Flowers & Flowers, CPA Harrisburg, PA	2007

- (1) Prior to their service with Centric Financial Corporation and Centric Bank, Messrs. Enders and Pae and Ms. Husic each served on the Boards of Directors of a local community bank and its holding company. Mr. Enders served from 1987 to 2006, Mr. Pae from 1985 to 1998 and from 2005 to 2006, and Ms. Husic from 2005 to 2006.

#### *Board Meetings*

Each of the Directors attended at least 75% of the combined total number of meetings of the Board of Directors and the committees of which he or she was a member held during 2014.

#### *Committees of the Board of Directors*

In order to ensure adequate oversight by the Board of Directors, Centric Bank maintains the following seven (7) committees, which are comprised of a combination of Directors and Executive Officers: Risk Management Committee; Audit and Regulatory Compliance Committee; Executive Committee; Director Evaluation and Nominating Committee; Management Evaluation and Compensation Committee, Executive Loan Committee and Asset Liability Committee.

#### *Director Compensation*

Each non-employee director of the Company receives a fee of \$350 for each Board meeting attended and \$250 for each committee meeting attended. Each non-employee member of the Executive Loan Committee receives a fee of \$350 for each meeting of that committee attended. In addition to such meeting fees, the Chairman of the Board receives an annual retainer of \$2,100. The Chairs of the Audit and Regulatory Compliance, Risk Management and Management Evaluation and Compensation Committees receive an additional \$200 per committee meeting attended in recognition of their leadership role.

## EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION

The following table sets forth the executive officers of Centric Financial Corporation and Centric Bank, their ages as of February 23, 2015 and the position they hold.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Patricia A. Husic	50	President & Chief Executive Officer
Jeffrey W. Myers	50	Asst. Secretary, Executive Vice President, Chief Lending Officer
Sandra J. Schultz	45	Treasurer, Executive Vice President, Chief Financial Officer
Terrence M. Monteverde	53	Executive Vice President, Chief Credit Officer

Our executive officers are elected annually and each devotes 100% of his or her working time to the Company.

The following table summarizes the total compensation of all of the executive officers of the Company as a group for 2014. This amount includes amounts attributable to group term life insurance, employer portion of 401(K) contributions, personal usage of Bank automobiles or auto allowances, the fair value of equity awards, and reimbursement of country club membership dues.

<u>Salary</u>	<u>Other</u>	<u>Total Compensation</u>
\$735,505	\$50,311	\$785,816

## CERTAIN TRANSACTIONS WITH MANAGEMENT

*Agreements with Executive Officers.* The Bank has entered into a three-year employment agreement with rolling-term options to renew for additional three-year periods, with Patricia A. Husic, President and Chief Executive Officer. This employment agreement governs the terms and conditions of her service, including compensation, bonuses, benefits, and change in control compensation provisions.

The Bank has entered into a two-year employment agreement with rolling-term options to renew for additional two-year periods, with Jeffrey W. Myers, Executive Vice President and Chief Lending Officer. This employment agreement governs the terms and conditions of his service, including compensation, bonuses, benefits, and change in control compensation provisions.

The Bank has entered into a one-year employment agreement with rolling-term options to renew for additional one-year periods, with Terrance M. Monteverde, Executive Vice President and Chief Credit Officer. This employment agreement governs the terms and conditions of his service, including compensation, bonuses, benefits, and change in control compensation provisions.

*Change in Control Agreement.* The Bank has entered into a change in control agreement with Sandra J. Schultz, Executive Vice President and Chief Financial Officer. Upon a termination of employment following a change in control of the Bank, as defined in her agreement, Ms. Schultz would be entitled to receive monetary compensation in the amount set forth in the change of control agreement.

*Split Dollar Agreements.* Life insurance was provided to Ms. Husic, Mr. Myers, and Ms. Schultz under an endorsement split-dollar arrangement which provides a split-dollar share of death benefits to the executive's beneficiary, depending upon the executive's eligibility to receive payments. The plan is funded with bank-owned life insurance (BOLI) and was used to provide an additional benefit to the executive during his or her employment. Split-dollar life insurance plans are widely utilized in the banking industry as Centric Bank will recover its plan costs upon the death of the executive, and the executive's beneficiary will receive a split of the insurance proceeds.

Although this benefit does not provide any current remuneration to the executive, it provides Centric Bank with a mechanism to attract, retain and reward highly qualified executives, and also provides incentive for longevity with the Bank.

*Banking Transactions with Management.* Centric Bank has had, and may be expected to have in the future, banking transactions in the ordinary course of business with its officers, directors, principal stockholders, their immediate families and affiliated companies, on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others.

## **SMALL BUSINESS LENDING FUND**

On July 14, 2011, the Company entered into a Securities Purchase Agreement with the Secretary of the Treasury pursuant to which the Company sold to the Treasury 7,492 shares of its Senior Non-Cumulative Perpetual Preferred Stock, Series C (the "SBLF Preferred Stock"), having a liquidation preference of \$1,000 per share, for total proceeds of approximately \$7.492 million, pursuant to the Treasury's Small Business Lending Fund (the "SBLF") program. The SBLF is a \$30 billion fund established under the Small Business Jobs Act of 2010 created to stimulate small business lending by reducing the dividend rate paid on the SBLF investment as the Bank increases its lending.

The SBLF Preferred Stock is non-voting, except in limited circumstances, qualifies as Tier 1 capital, and may be redeemed by the Company for the liquidation amount of \$1,000 per share, plus any accrued and unpaid dividends, subject to the prior approval of the FDIC.

## **BENEFICIAL OWNERSHIP OF COMMON STOCK BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT**

The following table shows, as of February 23, 2015, the number of shares and the percentage, if over 1%, of our common stock beneficially owned by each director and executive

officer of the Company, each shareholder who owns more than 5% of the outstanding common stock, either on the Company's records or indirectly as a "beneficial" owner, and all executive officers and directors as a group. We determined beneficial ownership by applying the Regulations of the Securities and Exchange Commission, which state that a person may be credited with the ownership of common stock owned by or for the person's spouse, minor children or any other relative sharing the person's home of which the person shares voting power, which includes the power to vote or to direct the voting of the stock and of which the person has investment power, which includes the power to dispose or direct the disposition of the stock. Unless otherwise indicated, the persons listed own their shares directly as individuals.

<u>Name of Shareholder:</u>	<u>Amount and Nature of Beneficial Ownership of Common Stock</u>	<u>Percentage of Common Stock Beneficially Owned (1)</u>
<b><i>Directors:</i></b>		
Frank A. Conte	55,150 <sup>(2)</sup>	1.36%
Steven P. Dayton	105,955 <sup>(3)</sup>	2.62%
Donald E. Enders, Jr.	226,354 <sup>(4)</sup>	5.60%
Fred M. Essis	173,959 <sup>(5)</sup>	4.31%
Thomas H. Flowers	26,765 <sup>(6)</sup>	*
Dr. Ambrish Gupta	20,000 <sup>(7)</sup>	*
Patricia A. Husic	50,266 <sup>(8)</sup>	1.24%
Jeffrey W. Keiser	74,115 <sup>(9)</sup>	1.83%
John A. Maher	120,538 <sup>(10)</sup>	2.98%
Kerry A. Pae	57,847 <sup>(11)</sup>	1.43%
<b><i>Executive Officers:</i></b>		
Patricia A. Husic	50,266 <sup>(8)</sup>	1.24%
Jeffrey W. Myers	39,914 <sup>(12)</sup>	*
Sandra J. Schultz	13,396 <sup>(13)</sup>	*
Terrence M. Monteverde	15,000 <sup>(14)</sup>	*
<b><i>Other 5% Shareholder:</i></b>		
Robert V. Gothier, Sr.	296,046 <sup>(15)</sup>	7.33%
<b>All Insiders and 5% Shareholders as a Group (14 in total)</b>	<b>1,275,305</b>	<b>31.56%</b>

(1) Percentage calculations based on 4,012,130 shares issued and outstanding as of February 23, 2015, plus 26,580 shares issuable pursuant to warrants presently exercisable, plus shares issuable pursuant to options presently exercisable within 60 days of February 23, 2015.

(2) Includes 6,369 shares issuable pursuant to stock options presently exercisable.

(3) Includes 25,420 shares held in a retirement plan for the benefit of Steven P. Dayton and 4,302 shares issuable pursuant to stock options presently exercisable.

(4) Includes 160,504 shares jointly held, 18,587 shares held by Cocoa Associates LTD, 26,587 shares held by Colonial Park Realty Company, 6,615 shares issuable pursuant to warrants presently exercisable and 13,730 shares issuable pursuant to stock options presently exercisable.

(5) Includes 7,437 shares jointly held, and 5,912 shares issuable pursuant to stock options presently exercisable.

(6) Includes 5,540 shares issuable pursuant to stock options presently exercisable.

(7) Includes 20,000 shares held in the Fairfax Urgent Care Pension Plan & Trust.

- (8) Includes 11,028 shares issuable pursuant to warrants presently exercisable, 8,219 shares issuable pursuant to stock options presently exercisable.
- (9) Includes 17,750 shares held in Keiser Family Trust A and 6,369 shares issuable pursuant to stock options presently exercisable.
- (10) Includes 7,235 shares issuable pursuant to stock options presently exercisable.
- (11) Includes 38,062 shares held in a retirement plan for the benefit of Kerry Pae, 8,937 shares issuable pursuant to warrants presently exercisable, and 7,777 shares issuable pursuant to stock options presently exercisable.
- (12) Includes 10,000 shares held in a retirement plan for the benefit of Jeffrey Myers, 17,243 shares issuable pursuant to stock options presently exercisable and 834 shares issuable pursuant to stock options exercisable within 60 days of February 23, 2015.
- (13) Includes 1,750 shares jointly held, 8,822 shares issuable pursuant to stock options presently exercisable and 834 shares issuable pursuant to options exercisable within 60 days of February 23, 2015.
- (14) Includes 4,000 shares jointly held and 10,000 shares held in a retirement plan for the benefit of Terrence Monteverde.
- (15) Includes 45,692 shares held in retirement plans for the benefit of Robert V. Gothier, Sr. and 7,197 shares issuable pursuant to stock options presently exercisable.

## **PROPOSAL 1 - ELECTION OF DIRECTORS**

Article 3, Section 3.02 of the Company's Bylaws authorizes the number of Directors to be not less than five nor more than seventeen. Within these limits, the Board of Directors may from time to time fix the number of Directors. As of the date of this proxy statement, the Board of Directors consisted of eleven Directors.

The Bylaws further provide for three classes of Directors with staggered three-year terms of office. The terms of the classes expire at successive Annual Meeting of Shareholders. In accordance with the Company's Bylaws, the current term of office of Class C Directors will expire at the Annual Meeting of Shareholders to be held in 2018 and when their respective successors are duly elected and qualified.

The Board of Directors is proposing the following four nominees for election as Class C Directors at the Annual Meeting, to serve until the 2018 Annual Meeting and until their successors are elected and qualified. The four nominees listed below are the current Class C Directors, and they have each consented to serve for a three-year term as a Director, if re-elected.

Frank A. Conte  
Patricia A. Husic, CPA  
Dr. Jeffrey W. Keiser  
John A. Maher, CPA

Each of the nominees meets the qualifications for a Director under the Company's Bylaws and applicable law.

Although the Company does not anticipate that any of the nominees above will be unwilling or unable to stand for election, in the event of such an occurrence, proxies may be voted for a substitute designated by the Board of Directors. Further, if a Director should be unavailable to serve for any reason, a majority of the Board of Directors then in office may select someone to fill the vacancy until the expiration of the term of the class of Directors to which he or she was appointed.

The proxy holders intend to vote their proxies **FOR** the election of the nominees named above, unless you indicate on the proxy that your vote should be withheld from any or all of them.

The Board of Directors recommends that shareholders vote **FOR** the election of the above-named nominees for Class C Directors.

## **PROPOSAL 2 – AMENDMENT TO ARTICLES OF INCORPORATION**

The Company's Articles of Incorporation currently authorize the issuance of up to 13,000,000 shares of stock, of which 12,000,000 shall be common stock, par value \$1.00 per share, and 1,000,000 shall be preferred stock. The Board of Directors has approved a resolution to amend the Company's Articles of Incorporation to authorize the issuance of 11,000,000 shares of voting common stock and 1,000,000 shares of non-voting common stock. The following discussion is qualified in its entirety by reference to the full text of the proposed amendments, as set forth below.

### *Form of Proposed Amendments*

*Amendment to Article 5.* Upon approval by the Company's shareholders, Article 5 of the Company's Articles of Incorporation would be amended to read in its entirety substantially as follows (only the underlined language represents a modification to the current Article 5):

5. The Corporation shall have authority to issue 13,000,000 shares of stock, of which 11,000,000 shall be Class A common stock, \$1.00 par value per share, 1,000,000 shares shall be Class B common stock, \$1.00 par value per share, and 1,000,000 shares shall be preferred stock. Each share of common stock issued and outstanding as of the effectiveness of this provision shall be deemed one share of Class A common stock. The Board of Directors is hereby authorized from time to time to provide by resolution for the issuance of any of the authorized but unissued shares of common stock of the Corporation. Except as otherwise provided in this Article 5 (or in any supplementary sections hereto), the holders of Class A common stock shall exclusively possess all voting power.

The Board of Directors is hereby authorized to issue, in one or more classes or series, shares of preferred stock, with full, limited, multiple, fractional or no voting rights, and with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights or other special or relative rights as shall be fixed from time to time by the Board of Directors.

Except as otherwise provided in any resolution or resolutions of the Board of Directors providing for the issuance of any particular class or series of preferred stock, the number of shares of stock of any such class or series so set forth in such resolution or resolutions may be increased or decreased (but not

below the number of shares of such class or series then outstanding) by a resolution or resolutions adopted by the Board of Directors.

Except as otherwise provide in any resolution or resolutions of the Board of Directors providing for the issuance of any particular class or series of preferred stock, preferred stock redeemed or otherwise acquired by the Corporation shall assume the status of authorized but unissued preferred stock, shall be unclassified as to class or series and may thereafter, subject to the provisions of this Article 5 and to any restrictions contained in any resolution or resolutions of the Board of Directors providing for the issue of any such class or series of preferred stock, be reissued in the same manner as other authorized but unissued preferred stock.

*Amendment to Article 6.* Upon approval by the Company's shareholders, Article 6 of the Company's Articles of Incorporation would be amended to read in its entirety substantially as follows (only the underlined language represents a modification to the current Article 6):

6. Except as required by law or another provision of these Articles, the holder of each share of Class A common stock shall be entitled to one vote on each matter on which shareholders of the Corporation are entitled to vote and the holder of each share of Class B common stock shall be entitled to no voting rights. Shareholders shall not have the right to cumulative voting in the election of directors.

*Discussion Regarding the Proposed Designation of Two Classes of Common Stock*

The Company's authorized capital stock currently consists of 13,000,000 shares of stock, of which 12,000,000 shall be common stock, \$1.00 par value per share, and 1,000,000 shares shall be preferred stock. The proposed amendments to the Company's Articles of Incorporation would designate 11,000,000 of the 12,000,000 authorized shares of common stock as voting common stock (Class A common stock), and the remaining 1,000,000 authorized shares of common stock as non-voting common stock (Class B common stock). The amendments would not have any effect on the 1,000,000 shares of preferred stock authorized to be issued under the current Articles of Incorporation or currently outstanding.

Except as required by law or as set forth in a certificate of designations creating a class or series of preferred stock, the holders of common stock currently possess exclusive voting rights in the Company. Holders of common stock are entitled to one vote for each share held.

If the proposed amendment is approved, the 12,000,000 authorized shares of common stock of the Company will be split into two classes – 11,000,000 shares of Class A common stock and 1,000,000 shares of Class B common stock. Except as required by law or as set forth in a certificate of designations creating a class or series of preferred stock, only holders of Class A common stock would possess voting rights in the Company.

Each share of common stock issued and outstanding as of the effectiveness of the proposed amendments would be deemed one share of Class A common stock, possessing the same voting rights as immediately prior to the amendments. The creation of a class of non-voting common stock alone will not have any effect on the rights of our present shareholders.

### *Present Plans*

The Company has no present plans, arrangements, commitments or understandings for the issuance of shares of Class A or Class B common or preferred stock.

Notwithstanding the foregoing, the Board of Directors has determined that an amendment to the Articles of Incorporation to authorize the issuance of shares of non-voting common stock is necessary and appropriate given current market conditions, and will grant the Company additional flexibility in meeting its future financial needs. If approved by the shareholders, the amendment would be effective upon the filing of an amendment to the Articles of Incorporation with the Secretary of State of the Commonwealth of Pennsylvania, anticipated to occur as soon as practicable following the Annual Meeting.

The proxy holders intend to vote their proxies **FOR** the approval of the foregoing amendments to the Company's Articles of Incorporation, unless you indicate on the proxy that your proxy should abstain from voting or your proxy should be voted against the proposal.

The Board of Directors recommends that shareholders vote **FOR** the proposed amendments to the Articles of Incorporation.

### **PROPOSAL 3 - RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS**

The Board of Directors has selected S.R. Snodgrass, P.C. to act as the Company's independent auditors for the year ending December 31, 2015. The Board of Directors proposes that the shareholders ratify this selection.

The Board of Directors recommends that shareholders vote **FOR** the ratification of the selection of S.R. Snodgrass, P.C. as the Company's independent auditors for the year ending December 31, 2015.

### **OTHER BUSINESS**

The Board of Directors knows of no matters other than those described in the Notice of Annual Meeting of Shareholders and this Proxy Statement that may properly come before the Annual Meeting of Shareholders. However, if any other matter should be properly presented for consideration and voted at the Annual Meeting of Shareholders or any adjournments of the Annual Meeting of Shareholders, the persons named as proxy holders will vote the proxies according to the directions of the Company's management.