

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

March 6, 2017

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Centric Financial Corporation (the "Company") at the **West Shore Country Club, 100 Brentwater Road, Camp Hill, Pennsylvania on Thursday, April 20, 2017 at 10:00 a.m., local time**. The principal business of the meeting is to (i) elect four (4) Class B Directors to the Board of Directors of Centric Financial Corporation for three-year terms; (ii) approve the Centric Financial Corporation 2017 Stock Incentive Plan; (iii) ratify the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending December 31, 2017 and (iv) transact such other business as is properly presented at the Annual Meeting.

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. Even if you plan to attend the annual meeting, we urge you to mark, sign, and date your proxy card today and return it in the return envelope provided, or register your vote by telephone via our transfer agent. 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, 2016, are included.

We appreciate your continued support of Centric Bank and Centric Financial Corporation and look forward to seeing you at the annual meeting on April 20th.

Very truly yours,



Patricia A. Husic
President & CEO

**Notice of Annual Meeting of Shareholders
To be Held April 20, 2017**

NOTICE IS HEREBY GIVEN, that the Annual Meeting of Shareholders of Centric Financial Corporation (the "Company") will be held on Thursday, April 20, 2017 at 10:00 a.m., local time at the West Shore Country Club, 100 Brentwater Road, Camp Hill, Pennsylvania, to consider and take action on the following matters:

1. To elect four (4) Directors to Class B for three-year terms expiring in 2020;
2. To approve the Centric Financial Corporation 2017 Stock Incentive Plan;
3. To ratify the selection of S.R. Snodgrass, P.C. as the Company's independent registered public accounting firm for 2017; and
4. To 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 17, 2017 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 B of the four nominees listed in the enclosed Proxy Statement; "FOR" approval of the Centric Financial Corporation 2017 Stock Incentive Plan; and "FOR" the ratification of the selection of S.R. Snodgrass, P.C. as the Company's independent registered public accounting firm for 2017.

By Order of the Board of Directors



Kerry A. Pae, Secretary

Harrisburg, Pennsylvania
March 6, 2017

CENTRIC FINANCIAL CORPORATION

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, APRIL 20, 2017

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 20, 2017 beginning at 10:00 a.m., at the West Shore Country Club, 100 Brentwater Road, Camp Hill, 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 6, 2017.

VOTING PROCEDURES

Who is entitled to vote?

Shareholders owning Company common stock on February 17, 2017, 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 17, 2017 there were 6,342,785 shares of Company common stock outstanding.

On what am I voting?

You will be asked to:

- (i) elect four Directors to Class B for three-year terms expiring in 2020;
- (ii) approve the Centric Financial Corporation 2017 Stock Incentive Plan; and
- (iii) ratify the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2017.

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 B;
- (ii) "FOR" the approval of the Centric Financial Corporation 2017 Stock Incentive Plan;
and
- (iii) “FOR” ratification of the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2017.

How do I vote?

Sign and date each proxy form you receive and return it in the postage-paid envelope provided or register your vote by telephone via our transfer agent. 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 B;
- (ii) "FOR" the approval of the Centric Financial Corporation 2017 Stock Incentive Plan;
and
- (iii) “FOR” ratification of the selection of S.R. Snodgrass, P.C. as the Company’s independent registered public accounting firm for 2017.

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 B 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 2017 Stock Incentive Plan and to 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 B and the current Directors of Class A and Class C. Each of the Company's Directors also serves as a director of the Company's subsidiary, Centric Bank.

Nominees for Current Class B Directors for a Three-Year Term Expiring in 2020

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since⁽¹⁾</u>
Steven P. Dayton	58	Partner RVG Management & Development Co. Harrisburg, PA	2007
Donald E. Enders, Jr. Chairman of the Board	65	President & CEO Colonial Park Realty Company t/a Enders Insurance Associates Harrisburg, PA	2006
Thomas H. Flowers, CPA	48	Managing Partner Flowers & Flowers, CPA Harrisburg, PA	2007
Nicole Stezar Kaylor, Esquire	38	Of Counsel McNees Wallace & Nurick, LLC Harrisburg, PA	2016

Current Class C Directors (Term Expiring in 2018)

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since⁽¹⁾</u>
Frank A. Conte	66	Founding Partner Conte Wealth Advisors, LLC Camp Hill, PA	2007
Patricia A. Husic, CPA	52	President & CEO Centric Financial Corporation and Centric Bank Harrisburg, PA	2006
Dr. Jeffrey W. Keiser	63	Partner & President Forest Hills Dental Associates, P.C. Harrisburg, PA	2007
John A. Maher, CPA Vice Chairman	58	Member Pennsylvania House of Representatives Harrisburg, PA	2007

Current Class A Directors (Term Expiring in 2019)

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since⁽¹⁾</u>
Fred M. Essis	77	President & CEO Essis & Sons Carpet One Mechanicsburg, PA	2007
Dr. Ambrish Gupta	59	President Medical Associates of Northern Virginia, Inc. Arlington, VA	2015
Kerry A. Pae Secretary	63	President & Owner Kerry Pae Auctioneers, Inc. Palmyra, PA	2006

(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

During 2016, each of the Directors attended at least 75% of the combined total number of meetings of the Board of Directors and the committees on which they served, except for Dr. Gupta, who attended 59% of those meetings.

Committees of the Board of Directors

In order to ensure adequate oversight by the Board of Directors, Centric Bank maintains the following six (6) committees, which are comprised of a combination of Directors and Executive Officers: Audit and Regulatory Compliance Committee; Corporate Governance and Nominating Committee; Enterprise Risk Management Committee; Executive Committee; Executive Loan Committee; and Management Evaluation and Compensation Committee.

Director Compensation

During 2016, each non-employee director of the Company received 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 received a fee of \$350 for each meeting of that committee attended. In addition to such meeting fees, the Chairman of the Board received an annual retainer of \$2,100. The Chairs of the Audit and Regulatory Compliance, Risk Management and Management Evaluation and Compensation Committees received 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 17, 2017 and the position they hold.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Patricia A. Husic	52	President & Chief Executive Officer
Jeffrey W. Myers	52	Asst. Secretary, Executive Vice President, Chief Lending Officer
Sandra J. Schultz	47	Treasurer, Executive Vice President, Chief Financial Officer
Terrence M. Monteverde	55	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 2016. Amounts included are attributable to bonuses, group term life insurance, bank owned life insurance plans, employer portion of 401(K) contributions, personal usage of Bank automobiles or auto allowances, and reimbursement of country club membership dues.

<u>Salary</u>	<u>Other</u>	<u>Total Compensation</u>
\$768,740	\$147,734	\$916,474

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 Jeffrey W. Myers, Executive Vice President and Chief Lending Officer, expiring on December 31, 2017. This employment agreement governs the terms and conditions of his service, including compensation, bonuses, benefits, and change in control compensation provisions. The Board is currently working on a new employment agreement for Mr. Myers.

The Bank has entered into a one-year employment agreement with rolling-term options to renew for additional one-year periods, with Terrence 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 is provided to Ms. Husic, Mr. Myers, Ms. Schultz and Mr. Monteverde 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 is 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.

BENEFICIAL OWNERSHIP OF COMMON STOCK BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table shows, as of February 17, 2017, 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</u> ⁽¹⁾
Directors:		
Frank A. Conte	56,474 ⁽²⁾	*
Steven P. Dayton	107,279 ⁽³⁾	1.69%
Donald E. Enders, Jr.	265,774 ⁽⁴⁾	4.19%
Fred M. Essis	177,631 ⁽⁵⁾	2.80%
Thomas H. Flowers	36,864 ⁽⁶⁾	*
Dr. Ambrish Gupta	85,849 ⁽⁷⁾	1.35%
Patricia A. Husic	62,636 ⁽⁸⁾	*
Nicole Stezar Kaylor	1,662 ⁽⁹⁾	*
Jeffrey W. Keiser	95,439 ⁽¹⁰⁾	1.50%
John A. Maher	121,862 ⁽¹¹⁾	1.92%
Kerry A. Pae	59,171 ⁽¹²⁾	*
Executive Officers:		
Patricia A. Husic	62,636 ⁽⁸⁾	*
Jeffrey W. Myers	42,164 ⁽¹³⁾	*
Sandra J. Schultz	14,146 ⁽¹⁴⁾	*
Terrence M. Monteverde	17,075 ⁽¹⁵⁾	*
Other 5% Shareholder:		
EJF Sidecar Fund	623,912	9.84%
Strategic Value Investors LP	400,953	6.32%
Bank Fund	323,810	5.11%
All Directors and Executive Officers as a Group (14 in Total)	1,144,026	18.00%

- (1) Percentage calculations based on 6,355,785 shares issued and outstanding as of February 17, 2017, plus shares issuable pursuant to options presently exercisable within 60 days of February 17, 2017.
- (2) Includes 7,693 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 5,626 shares issuable pursuant to stock options presently exercisable.
- (4) Includes 184,314 shares jointly held, 23,349 shares held by Cocoa Associates LTD, 36,111 shares held by Colonial Park Realty Company, and 15,054 shares issuable pursuant to stock options presently exercisable.
- (5) Includes 7,437 shares jointly held, and 7,236 shares issuable pursuant to stock options presently exercisable.
- (6) Includes 6,864 shares issuable pursuant to stock options presently exercisable.
- (7) Includes 56,525 shares held in the Medical Association of Northern VA, Inc. Profit Sharing Plan, 28,000 shares held in the Ambrish and Jyotsna Gupta Foundation, and 1,324 shares issuable pursuant to stock options presently exercisable.
- (8) Includes 8,219 shares issuable pursuant to stock options presently exercisable, and 11,500 shares pursuant to restricted stock grants with voting rights.
- (9) Includes 662 shares issuable pursuant to stock options presently exercisable.
- (10) Includes 17,750 shares held in Keiser Family Trust A and 7,693 shares issuable pursuant to stock options presently exercisable.
- (11) Includes 8,559 shares issuable pursuant to stock options presently exercisable.
- (12) Includes 38,062 shares held in a retirement plan for the benefit of Kerry Pae, and 9,101 shares issuable pursuant to stock options presently exercisable.
- (13) Includes 10,000 shares held in a retirement plan for the benefit of Jeffrey Myers, 18,077 shares issuable pursuant to stock options presently exercisable, and 1,500 shares pursuant to restricted stock grants with voting rights.
- (14) Includes 1,750 shares jointly held, 9,656 shares issuable pursuant to stock options presently exercisable.
- (15) Includes 4,000 shares jointly held and 10,000 shares held in a retirement plan for the benefit of Terrence Monteverde.

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 Meetings of Shareholders. In accordance with the Company's Bylaws, the current term of office of Class B Directors will expire at the Annual Meeting of Shareholders to be held in 2020 and when their respective successors are duly elected and qualified.

The Board of Directors is proposing the following four nominees for election as Class B Directors at the Annual Meeting, to serve until the 2020 Annual Meeting and until their successors are elected and qualified. The four nominees listed below are the current Class B Directors, and they have each consented to serve for a three-year term as a Director, if re-elected.

Steven P. Dayton
Donald E. Enders, Jr.
Thomas H. Flowers
Nicole Stezar Kaylor

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 B Directors.

PROPOSAL 2 – APPROVAL OF THE 2017 STOCK INCENTIVE PLAN

The Proposal

We currently maintain the Centric Financial Corporation 2007 Stock Incentive Plan (the "2007 Plan"), which was originally effective on May 10, 2007, upon approval of our shareholders. The 2007 Plan provides for the grant of stock options and restricted stock to officers, designated employees and directors of the Company and its subsidiary, Centric Bank, who are eligible to participate in the 2007 Plan.

The 2007 Plan expires by its own terms 10 years after adoption on May 10, 2017. As of December 31, 2016, there were 40,377 shares of our common stock remaining for issuance under the 2007 Plan upon the exercise of outstanding stock options and upon the vesting of restricted stock grants. These outstanding awards under the 2007 Plan will continue to be governed by the terms of the 2007 Plan until expired or otherwise terminated or cancelled.

Our Board of Directors approved the 2017 Stock Incentive Plan (the "2017 Plan") on February 16, 2017 because they believe that our interests and the interests of our shareholders are advanced by our ability to offer our officers, key employees and directors the opportunity to increase their stock ownership in the Company by continuing to grant them awards under the 2017 Plan. Our Board of Directors believes that the 2017 Plan will further our compensation strategy and will enhance our ability to attract, retain and motivate top quality employees and directors, which is material to the Company's success. The 2017 Plan authorizes the issuance of up to 250,000 shares of our common stock in connection with awards granted under the 2017 Plan. Shareholder approval of the 2017 Plan is necessary for incentive stock options to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and as a matter of good corporate governance.

The material terms of the 2017 Plan are summarized below. A copy of the full text of the 2017 Plan is attached to this Proxy Statement as Appendix "A." This summary of the 2017 Plan is not intended to be a complete description of the 2017 Plan and is qualified in its entirety by the actual text of the 2017 Plan to which reference is made.

The proposal requires the affirmative vote of a majority of the votes cast on the proposal in person or represented by proxy at the Annual Meeting.

Our Board of Directors unanimously recommends that you vote "FOR" approval of the 2017 Plan.

Description of the 2017 Stock Incentive Plan

General

The 2017 Plan reserves for issuance up to 250,000 shares of our common stock to employees and directors who are eligible to participate. The 2017 Plan provides that the maximum aggregate number of shares of our common stock with respect to which grants may be made to any individual during any calendar year is 25,000 shares, subject to adjustment as described below. Shareholder approval of this proposal will also constitute a reapproval of the foregoing 25,000 share limitation for purposes of section 162(m) of the Code. The share limitation will assure that any deductions to which we would otherwise be entitled, either upon the exercise of stock options or stock appreciation rights granted under the 2017 Plan with an exercise price per share equal to the fair market value of a share of our common stock on the grant date or upon the subsequent sale of the shares purchased under those options or issued upon exercise of those stock appreciation rights, will not be subject to the limitations on the income tax deductibility of compensation paid per covered executive officer imposed under section 162(m) of the Code.

If and to the extent stock options or stock appreciation rights granted under the 2017 Plan terminate, expire or are cancelled, forfeited, exchanged or surrendered without having been exercised or if and to the extent any restricted stock is forfeited or terminated or otherwise not paid in full, the shares subject to such grants shall again be available for issuance under the 2017 Plan. Shares of our common stock surrendered in payment of the option price of a stock option, and shares of our common stock withheld or surrendered for payment of taxes, shall not be available for reissuance under the 2017 Plan.

Administration of the 2017 Plan

The 2017 Plan will be administered and interpreted by a committee of the Board which will be appointed by the Board from among its members who are "non-employee directors" of the Company as defined in Rule 16b-3 of the Exchange Act and who may, to the extent that the Board deems necessary to comply with section 162(m) of the Code, also be an "outside director" as that term is defined in regulations under section 162(m) of the Code (the "Committee"). To the extent a Committee is not appointed, the full Board will act as the Committee for purposes of administering the 2017 Plan. The Committee has the authority to determine:

- the persons to whom awards are to be granted under the 2017 Plan;
- the type, size and terms of the awards;
- the time when the awards are to be granted; and
- any other matters arising under the 2017 Plan.

Grants

Incentives under the 2017 Plan consist of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock grants, deferred stock grants and performance awards (hereinafter collectively referred to as "grants"). Each grant is subject to the terms and conditions set forth in the 2017 Plan and to those other terms and conditions consistent with the 2017 Plan as the Committee deems appropriate and specifies in the written agreement memorializing the grant.

Eligibility for Participation

Officers, other designated employees and directors of the Company and Centric Bank are eligible to participate in the 2017 Plan. However, future benefits to directors and executive officers of the Company under the 2017 Plan cannot currently be determined. After receiving recommendations from the management of the Company, the Committee will select the persons to receive grants, normally on an annual basis, and will determine the number of shares of common stock subject to a particular grant.

Granting of Options

General. The Committee may grant options qualifying as incentive stock options ("ISOs") within the meaning of section 422 of the Code and/or other non-qualifying stock options ("NQSOs") in accordance with the terms and conditions set forth in the 2017 Plan, or any combination of ISOs or NQSOs.

Term, Purchase Price, Vesting and Method of Exercise of Options. The exercise price of any stock option granted under the 2017 Plan will not be less than the fair market value of a share of our common stock on the date the option is granted.

The Committee may determine the option exercise period for each option; provided, however, that the exercise period may not exceed ten (10) years from the date of grant. The Committee has discretion to accelerate the exercisability of any option at any time for any reason, including upon a Change of Control of the Company (within the meaning of such term under the 2017 Plan as described below). The 2017 Plan provides that each option shall fully vest upon the earliest of:

- the grantee's normal retirement date;
- the grantee's death or disability (within the meaning of the Company's long-term disability program); and
- a Change of Control of the Company.

A grantee may exercise an option by delivering notice of exercise to the Secretary of the Company with accompanying full payment of the option price. Generally, payment of the option price may be made in cash or by delivering shares of our common stock already owned by the

grantee and having a fair market value on the date of exercise equal to the option price, or with a combination of cash and shares. In addition, a grantee may exercise an option through a broker assisted cashless exercise or pursuant to a net exercise procedure pursuant to which a portion of the shares otherwise issuable upon the exercise of the option are automatically withheld by the Company and applied to the payment of the aggregate option price for the gross number of shares for which the option is exercised and the satisfaction of the federal and state income and employment withholding taxes applicable to such exercise. The grantee must pay the option price and the amount of withholding tax due, if any, at the time of exercise. Shares of our common stock will not be issued or transferred upon exercise of the option until the option price and the withholding obligation are fully paid.

The 2017 Plan also provides for an automatic grant each year of 662 NQSOs to each non-employee director of the Company.

Stock Appreciation Rights

The Committee may grant stock appreciation rights ("SARs") in tandem with a stock option, for all or a portion of the applicable stock option, to any grantee. Upon a grantee's exercise of a SAR, the grantee receives in settlement of such SAR, in the discretion of the Committee, either cash or a number of shares of common stock with a fair market value equal to the difference between the fair market value of the common stock underlying the SAR on the date of grant and the fair market value of the common stock underlying the SAR on the date of exercise.

Restricted Stock Grants

The Committee may grant restricted shares of common stock (a "Restricted Stock Grant") pursuant to the 2017 Plan subject to restrictions or no restrictions. If a grantee's employment or service as a director terminates during the period designated in the Grant Instrument as the period during which the shares are restricted (the "Restriction Period"), the shares will be forfeited. During the Restriction Period, a grantee may not sell, assign, transfer, pledge or otherwise dispose of the shares of common stock to which such Restriction Period applies, except to a successor grantee in the event of the grantee's death.

Amendment and Termination of the 2017 Stock Incentive Plan

Our Board of Directors may amend or terminate the 2017 Plan at any time, provided however, that any amendment that increases the aggregate number (or individual limit for any grantee) of shares of common stock that may be issued or transferred under the 2017 Plan, or modifies the requirements as to eligibility for participation, will be subject to approval by the shareholders of the Company. The 2017 Plan will terminate ten (10) years from the date of shareholder approval.

Federal Income Tax Consequences under the 2017 Stock Incentive Plan

The federal income tax consequences of grants under the 2017 Plan will depend on the type of grant. The following description provides only a general description of the application of federal income tax laws to grants under the 2017 Plan. This discussion is intended for the information of shareholders considering how to vote at the Annual Meeting and not as tax guidance to grantees, as the consequences may vary with the types of grants made, the identity of the grantees and the method of payment or settlement. The summary does not address the effects of other federal taxes (including possible "golden parachute" excise taxes) or taxes imposed under state, local or foreign tax laws.

From the grantees' standpoint, as a general rule, ordinary income will be recognized at the time of delivery of shares of our common stock or payment of cash under the 2017 Plan. Future appreciation on shares of our common stock held beyond the ordinary income recognition event will be taxable as capital gain when the shares of our common stock are sold. The tax rate applicable to capital gain will depend upon how long the grantee holds the shares. We, as a general rule, will be entitled to a tax deduction that corresponds in time and amount to the ordinary income recognized by the grantee, and we will not be entitled to any tax deduction with respect to capital gain income recognized by the grantee.

Exceptions to these general rules arise under the following circumstances:

- If shares of our common stock, when delivered, are subject to a substantial risk of forfeiture by reason of any employment or performance-related condition, ordinary income taxation and our tax deduction will be delayed until the risk of forfeiture lapses, unless the grantee makes a special election to accelerate taxation under section 83(b) of the Code.
- If an employee exercises a stock option that qualifies as an ISO, no ordinary income will be recognized, and we will not be entitled to any tax deduction, if shares of our common stock acquired upon exercise of the stock option are held until the later of: (A) one year from the date of exercise and (B) two years from the date of grant. However, if the employee disposes of the shares acquired upon exercise of an ISO before satisfying both holding period requirements, the employee will recognize ordinary income to the extent of the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price, and we will be entitled to a tax deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income will be long-term or short-term capital gain, depending upon the length of time the employee held the shares before the disposition.

We have the right to require that grantees pay to us an amount necessary for us to satisfy our federal, state or local tax withholding obligations with respect to grants. We may withhold from other amounts payable to a grantee an amount necessary to satisfy these obligations. The Committee may permit a grantee to satisfy our withholding obligation with respect to grants paid in shares of our common stock by having shares withheld, at the time the grants become taxable,

provided that the number of shares withheld does not exceed the individual's minimum applicable withholding tax rate for federal, state and local tax liabilities.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
SHAREHOLDERS VOTE FOR THE APPROVAL OF THE 2017 STOCK INCENTIVE
PLAN.**

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, 2017. 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, 2017.

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 or postponements 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.

Appendix "A"

CENTRIC FINANCIAL CORPORATION 2017 STOCK INCENTIVE PLAN

The purpose of the Centric Financial Corporation 2017 Stock Incentive Plan (the "Plan") is to provide (i) designated officers (including officers who are also directors) and other designated employees of Centric Financial Corporation, a Pennsylvania corporation (the "Company"), and its subsidiaries, and (ii) non-employee members of the board of directors of the Company, and its subsidiaries (the "Board"), with additional incentive to further the success of the Company. The Company believes that the Plan will cause the designated participants to contribute materially to the growth of the Company, thereby benefiting the Company's shareholders and will align the economic interests of the participants with those of the shareholders.

Article 1. Administration

1.1 The Committee. The Plan shall be administered and interpreted by a committee (the "Committee"), which shall consist of (i) either the Board itself or (ii) two or more directors appointed by the Board, all of whom (unless the Board determines otherwise) shall be "non-employee directors" of the Board as defined under Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act") and "outside directors" as defined under section 162 (m) of the Internal Revenue Code of 1986, as amended (the "Code") and related Treasury regulations. The Board, in its discretion, may appoint separate committees to administer the Plan with respect to a designated portion of participants (e.g., participants subject to Section 16 of the Exchange Act or Section 162(m) of the Code). If the Board does not appoint a committee to administer all or any portion of the Plan, then the Board shall be the Committee.

1.2 Determinations with respect to Grants. Except for the automatic grants provided in Article 6 to Non-Employee Directors (as defined in Section 4.1), the Committee shall have the sole authority to (i) determine the individuals to whom Grants (as defined in Section 2.1) shall be made under the Plan, (ii) determine the type, size and terms of the Grants to be made to each such individual, (iii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for vesting and the acceleration of vesting, (iv) accelerate the vesting of any Grants and reduce or waive any restrictions on the exercise or vesting of any Grants, and (v) deal with any other matters arising under the Plan. The Committee may, if it so desires, base any of the foregoing determinations upon the recommendations of management of the Company.

1.3 Action by the Committee. A majority of the Committee shall constitute a quorum thereof, and the actions of a majority of the Committee at a meeting at which a quorum is present, or actions unanimously approved in writing by all members of the Committee, shall be actions of the Committee.

1.4 Delegation. The Committee may appoint one of its members to be chairman and any person, whether or not a member of the Committee, to be its secretary or agent. Furthermore, the Committee may delegate any ministerial duties in connection with the Plan to one or more officers of the Company.

1.5 Interpretation of Plan. The Committee shall have full power and authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, to waive requirements relating to formalities or other matters that do not modify the substance of rights of Grantees (as defined in Section 4.2) or constitute a material amendment of the Plan, to correct any defect or supply any omission of the Plan or any Grant Instrument (as defined in Section 2.2) and to reconcile any inconsistencies in the Plan or any Grant Instrument. The Committee's interpretations of the Plan and all determinations made or actions taken by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interests in the Plan or in any awards granted hereunder. All powers of the Committee shall be exercised in its sole discretion, in the best interest of the Company and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

1.6 No Liability. No member of the Committee shall be liable for any act or omission (whether or not negligent) taken or omitted in good faith, or for the good faith exercise of any authority or discretion granted in the Plan to the Committee, or for any act or omission of any other member of the Committee.

1.7 Costs. All costs incurred in connection with the administration and operation of the Plan shall be paid by the Company. Except for the express obligations of the Company under the Plan and under Grants (as defined in Section 2.1) in accordance with the provisions of the Plan, the Company shall have no liability with respect to any Grant, or to any Grantee or any transferee of shares of Company Stock from any Grantee, including, but not limited to, any tax liability, capital losses, or other costs or losses incurred by any Grantee, or any such transferee.

Article 2. Grants

2.1 Type of Grants. Incentives under the Plan shall consist of grants of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock and performance awards (hereinafter collectively referred to as "Grants").

2.2 Grant Instruments. All Grants shall be subject to the terms and conditions set forth herein and to those other terms and conditions consistent with the Plan as the Committee deems appropriate. Each Grant shall be evidenced by a written instrument (the "Grant Instrument") specifying the number of shares of Company Stock to which it relates and containing such other terms and conditions as the Committee shall approve that are not inconsistent with the Plan. Grants under a particular section of the Plan need not be uniform as among the grantees. The Committee shall have the authority to waive any condition of an outstanding Grant or amend an outstanding Grant, provided that an amendment of an existing

Grant may not be made without the consent of the Grantee if such amendment would have an adverse effect on the rights of the Grantee.

Article 3. Shares Subject to the Plan

3.1 Number of Shares. Subject to the adjustment specified below, the aggregate number of shares of the common stock of the Company, par value \$1.00 per share (the "Company Stock"), that may be issued or transferred under the Plan is 250,000 shares. Notwithstanding anything in the Plan to the contrary, the maximum aggregate number of shares of Company Stock that shall be subject to Grants made under the Plan to any one individual during any calendar year shall be 25,000. The shares may be authorized but unissued shares of Company Stock or reacquired shares of Company Stock, including shares purchased by the Company on the open market for purposes of the Plan. If and to the extent Grants under the Plan terminate, expire, or are cancelled, forfeited, exchanged or surrendered without Company Stock being delivered pursuant thereto, or if any shares of Restricted Stock are forfeited, the shares subject to such Grants, including forfeited shares, shall again be available for purposes of the Plan.

3.2 Anti-Dilution Adjustments. If there is any change in the number or kind of shares of Company Stock outstanding by reason of a stock dividend, recapitalization, stock split, or combination or exchange of shares, or a merger, reorganization or consolidation in which the Company is the surviving corporation, or a reclassification or by reason of any other extraordinary or unusual events affecting the outstanding Company Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced due to the Company's payment of an extraordinary dividend or distribution, the kind of shares, the maximum number of shares of Company Stock available for Grants, the maximum number of shares of Company Stock that may be subject to Grants to any one individual under the Plan in any calendar year, the number of shares to be subject to grants under Article 6, the number of shares covered by outstanding Grants, and the price per share or the applicable fair market value of such Grants shall be equitably adjusted by the Committee to reflect any increase or decrease in the number or kind of issued shares of Company Stock to preclude the enlargement or dilution of rights and benefits under such Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated by rounding any portion of a share equal to .500 or greater up, and any portion of a share equal to less than .500 down, in each case to the nearest whole number. For purposes of this Section 3.2, "shares of Company Stock" and "shares" include referenced shares with respect to SARs. The adjustments determined by the Committee shall be final, binding and conclusive. Notwithstanding the foregoing, no adjustment shall be authorized or made pursuant to this Section to the extent that such authority or adjustment would cause any incentive stock option to fail to comply with Section 422 of the Code.

Article 4. Eligibility for Participation

4.1 Eligible Participants.

4.1.1 All employees of the Company and its present or future subsidiaries ("Employees"), including Employees who are officers or members of the Board, shall be eligible to participate in the Plan.

4.1.2 Members of the Board who are not employees of the Company or any of its subsidiaries ("Non-Employee Directors") shall also be eligible to participate in the Plan and, in addition to the automatic Grants provided by Article 6, may receive Grants in the discretion of the Committee; provided, however, that only Employees shall be eligible to receive Incentive Stock Options (as defined in Section 5.1.1).

4.2 Selection of Grantees. Except as provided in Article 6, the Committee shall select the individuals to receive Grants and determine the number of shares of Company Stock subject to a particular Grant in such manner as the Committee determines. Any individuals who receive Grants under this Plan shall hereinafter be referred to as "Grantees".

Article 5. Granting of Options

5.1 Type of Option and Price.

5.1.1 The Committee may grant options intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code ("Incentive Stock Options") or options which are not intended to so qualify ("Nonqualified Stock Options") or any combination of Incentive Stock Options and Nonqualified Stock Options (hereinafter collectively the "Stock Options"), all in accordance with the terms and conditions set forth herein.

5.1.2 The purchase price of Company Stock subject to a Stock Option shall be determined by the Committee and shall not be less than 100% of the Fair Market Value (determined in accordance with Section 5.2.3) of a share of such Stock on the date such Stock Option is granted.

5.1.3 If the Company Stock is traded in a public market, then the Fair Market Value per share shall be, if the principal trading market for the Company Stock is a national securities exchange or The NASDAQ Stock Market, the last reported sale price thereof on the relevant date or (if there were no trades on that date) the latest preceding date upon which a sale was reported, or, if the Company Stock is not principally traded on such exchange or market, the mean between the high and low sale prices for trades for that date as reported on the OTC Pink Tier, the OTCQX Tier or the OTCQB Tier of the OTC Markets Group's interdealer quotation system; provided that, if there are no reported sales during such date, then the Fair Market Value shall be equal to the mean between the closing bid and ask prices quoted on the relevant tier of the OTC Markets Group for such date. If the Company Stock is not traded in a public market or subject to reported transactions or quotations as set forth above, the Fair Market Value per share

shall be as determined by the Board; provided, however, that no determination of Fair Market Value with respect to an Incentive Stock Option shall be inconsistent with Section 422 of the Code or the regulations thereunder. Notwithstanding the foregoing, if the Board determines that prices quoted on the relevant tier of the OTC Markets Group do not reflect the true Fair Market Value of the Company Stock due to the limited number and volume of trades; i.e., the lack of liquidity with regard to the Company Stock, then the Fair Market Value per share shall be as determined by the Board, in the exercise of its reasonable discretion.

5.2 Option Term. The Committee shall determine the term of each Stock Option; provided, however, that the term of a Stock Option shall not exceed ten years from the date of grant.

5.3 Exercisability of Options. Except as otherwise provided by Article 6 for automatic Grants to Non-Employee Directors, Stock Options shall become exercisable in accordance with the terms and conditions determined by the Committee, in its sole discretion. The Committee, in its sole discretion, may accelerate, in whole or in part, the exercisability of any or all outstanding Stock Options at any time for any reason. In addition, all outstanding Stock Options automatically shall become fully and immediately exercisable upon a Change of Control (as defined in Section 10.1).

5.4 Vesting of Options and Restrictions on Shares.

5.4.1 The vesting period for Stock Options shall commence on the date of grant and shall end on the date or dates, determined by the Committee, that shall be specified in the Grant Instrument.

5.4.2 Notwithstanding any other provision of the Plan, except as otherwise provided by the Committee in the Grant Instrument, all outstanding Stock Options shall become immediately exercisable upon the earliest to occur of the following, if at such time the Grantee is an Employee or a Non-Employee Director: (i) the Grantee's Retirement (as defined in Section 5.6.4), (ii) the Grantee's death or Disability (as defined in Section 5.6.4), or (iii) the occurrence of a Change of Control (as defined in Section 10.1).

5.5 Manner of Exercise.

5.5.1 A Grantee may exercise a Stock Option which has become exercisable, in whole or in part, by delivering a duly completed notice of exercise, in such form as is acceptable to the Committee, to the Secretary or other officer of the Company designated by the Committee, with accompanying payment of the option price in accordance with Section 5.7 below.

5.5.2 Unless otherwise provided by the Committee, such notice may instruct the Company to deliver shares of Company Stock due upon the exercise of the Stock Option to any registered broker or dealer previously approved or designated by the Committee ("Designated Broker") in lieu of delivery to the Grantee. The Committee may suspend the ability of a Grantee to exercise a Stock Option through a Designated Broker at any time that the Committee, in its sole discretion, determines appropriate.

5.6 Termination of Employment or Service.

5.6.1 General. Except as provided below, a Stock Option may only be exercised while the Grantee is employed by the Company or a subsidiary of the Company or is serving as a Non-Employee Director.

5.6.2 Nonqualified Stock Options. In the event of a Grantee's termination of employment or service for any reason other than death, Disability or Retirement (as such terms are defined in Section 5.6.4) or following a Change of Control, the Nonqualified Stock Options shall be exercisable only as to those shares that were immediately purchasable on the date of termination and only for a period of three (3) months following termination or for such other period as the Committee shall establish in its sole discretion. If the Grantee's termination of employment or service is due to death, Disability or Retirement or following a Change of Control, all Nonqualified Stock Options held by the Grantee shall vest and become immediately exercisable upon such event and shall be thereafter exercisable by the Grantee or the Grantee's legal representative or beneficiaries, as applicable, for a period of three (3) years following the date of such event, provided that in no circumstance shall the period extend beyond the expiration of the Nonqualified Stock Option term set forth in the Grant Instrument.

5.6.3 Incentive Stock Options. In the event of a Grantee's termination of employment for any reason other than death, Disability, Retirement, or following a Change of Control, the Grantee's Incentive Stock Options shall be exercisable only as to those shares that were immediately purchasable by such Grantee at the date of termination and only for a period of three (3) months following termination. In the event of a termination of a Grantee's employment due to death, Disability, Retirement or following a Change of Control, all Incentive Stock Options held by such Grantee shall vest and become immediately exercisable and shall thereafter be exercisable by the Grantee or the Grantee's legal representative or beneficiaries, as applicable, for a period of three (3) years following the date of such cessation of employment, provided, however, that any such Option shall not be eligible for treatment as an Incentive Stock Option in the event such Option is exercised more than three (3) months following the date of Grantee's Retirement or termination of employment following a Change of Control; and provided further, that no Option shall be eligible for treatment as an Incentive Stock Option in the event such Option is exercised more than one (1) year following termination of employment due to Disability; and provided further, in order to obtain Incentive Stock Option treatment for Options exercised by heirs or devisees of a deceased Grantee, the Grantee's death must have occurred while employed or within three (3) months of termination of employment. Notwithstanding anything herein to the contrary, in no event shall the period within which an Incentive Stock Option may be exercised extend beyond the expiration of the Option term set forth in the Grant Instrument.

5.6.4 Definitions. For purposes of the Plan: (i) the term "Company" shall include the Company's subsidiaries; (ii) the term "Disability" or "Disabled" shall mean any physical or mental impairment which qualifies an individual for disability benefits under the applicable long-term disability plan maintained by the Company, or, if no such plan applies, which would qualify such individual for disability benefits under the long-term disability plan maintained by the Company, if such individual were covered by that plan, or, if no such plan

exists, as determined in good faith by the Committee; and (iii) "Retirement" or "Retired" shall mean a termination of employment which constitutes a "retirement", whether normal or otherwise, under any applicable qualified pension benefit plan maintained by the Company, or, if no such plan is applicable, which would constitute "retirement" under the Company's pension benefit plan, if such individual were a participant in that plan or, in the case of a Non-Employee Director, the Grantee ceases to be such after attaining the age of 65 or such other age as shall be established as a retirement age by the Committee.

5.7 Payment of Option Price. The Grantee shall pay the option price specified in the Grant Instrument in cash, including through the broker assisted cashless exercise procedure described in Section 5.5.2, or the Grantee also may pay the option price specified in the Grant Instrument by delivering shares of Company Stock owned by the Grantee (including Company Stock acquired in connection with the exercise of a Stock Option, subject to such restrictions as the Committee deems appropriate) and having a Fair Market Value on the date of exercise equal to the option price or through a combination of cash and shares of Company Common Stock owned by the Grantee. Unless permitted by the Committee, no tendered shares of Company Stock which were acquired by the Grantee pursuant to, or upon the previous exercise of, a Grant under the Plan, or an award under any other award plan of the Company or its subsidiaries, shall be accepted in payment unless the Grantee has held such shares (without restriction imposed by the applicable plan or award) for at least six months prior to delivery in payment. Subject to Article 14, the Grantee shall pay the option price and the amount of withholding tax due, if any, at the time of exercise. Shares of Company Stock shall not be issued or transferred upon exercise of a Stock Option until the option price is fully paid and any required withholding obligations are satisfied.

5.8 Limits on Incentive Stock Options.

5.8.1 Each Incentive Stock Option shall provide that, to the extent that the aggregate Fair Market Value of the Company Stock on the date of the grant with respect to which Incentive Stock Options are exercisable for the first time by a Grantee during any calendar year under the Plan or any other stock option plan of the Company exceeds \$100,000, then such option as to the excess shall be treated as a Nonqualified Stock Option.

5.8.2 An Incentive Stock Option shall not be granted to any participant who is not an Employee of the Company or any "subsidiary" within the meaning of Section 424 (f) of the Code.

5.8.3 An Incentive Stock Option shall not be granted to any Employee who, at the time of grant, owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or any "parent" or "subsidiary" of the Company within the meaning of Section 424 (e) and (f) of the Code, unless the option price per share is not less than 110% of the Fair Market Value of Company Stock on the date of grant and the option exercise period is not more than five years from the date of grant.

5.8.4 No Incentive Stock Option granted under this Plan is transferable except by will or the laws of descent and distribution and is exercisable during the Grantee's lifetime only by the Grantee.

5.9 Notice of Disposition; Withholding; Escrow. A Grantee of an Incentive Stock Option shall immediately notify the Company in writing of any sale, transfer, assignment or other disposition (or action constituting a disqualifying disposition within the meaning of Section 421 of the Code) of any shares of Company Stock acquired through exercise of an Incentive Stock Option, within two (2) years after the grant of such Incentive Stock Option or within one (1) year after the acquisition of such shares, setting forth the date and manner of disposition, the number of shares disposed of and the price at which such shares were disposed of. The Company shall be entitled to withhold from any compensation or other payments then or thereafter due to the Grantee such amounts as may be necessary to satisfy any withholding requirements of Federal (including payroll taxes) or state law or regulation and, further, to collect from the Grantee any additional amounts which may be required for such purpose. The Committee may, in its sole discretion, require shares of Company Stock acquired by an Optionee upon exercise of an Incentive Stock Option to be held in an escrow arrangement for the purpose of enabling compliance with the provisions of this Section 5.9.

5.10 No ISO Warranty. The Company makes no warranty that Stock Options granted under this Plan that are intended to qualify as Incentive Stock Options will, in fact, so qualify or that any qualification will not be lost in the future, including by acts or omissions of the Company or the Committee or by other cause. If a Stock Option granted hereunder for any reason fails for whatever reason to comply with the provisions of Section 422 of the Code, and such failure is not or cannot be cured, such Option shall be a Nonqualified Stock Option.

Article 6. Option Grants to Non-Employee Directors

6.1 Eligibility. A Non-Employee Director shall receive automatic grants of Nonqualified Stock Options in accordance with this Article 6.

6.2 Annual Grants. During the term of this Plan, on May 10th of each year (the "Annual Automatic Grant Date"), each Non-Employee Director will receive a grant of a Nonqualified Stock Option to purchase 662 shares of Company Stock provided that the Non-Employee Director remains as such on the Annual Automatic Grant Date; provided, however, that a director may not receive more than one Grant pursuant to this Article 6 in any calendar year.

6.3 Option Price. The purchase price per share of Company Stock subject to a Stock Option granted under this Article 6 shall be equal to the Fair Market value of a share of Company Stock on the date of grant.

6.4 Option Term. The term of each Stock Option granted pursuant to this Article 6 shall be ten years.

6.5 Exercisability. Options granted under this Article 6 shall be immediately exercisable.

6.6 Administration. The provisions of this Article 6 are intended to operate automatically and not require administration. However, to the extent that administrative determinations are required, the determinations shall be made by the Board, but in no event shall such determinations affect the eligibility of Grantees, the determination of the exercise price, the timing of the grant or the number of shares subject to Stock Options granted hereunder.

6.7 Applicability of Plan Provisions. Except as otherwise provided in, and not inconsistent with, this Article 6, the Nonqualified Stock Options granted to Non-Employee Directors pursuant to this Article 6 shall be subject to the provisions of this Plan applicable to Nonqualified Stock Options granted to other persons.

Article 7. Stock Appreciation Rights

7.1 General Requirements. The Committee may grant stock appreciation rights ("SARs") to any Grantee (i) independently or (ii) in tandem with, any Stock Option, for all or a portion of the applicable Stock Option. Tandem SARs may be granted, either at the time the Stock Option is granted or at any time thereafter while the Stock Option remains outstanding; provided, however, that in the case of an Incentive Stock Option, such tandem rights may be granted only at the time of the Grant of such Stock Option. Unless the Committee determines otherwise, the base price of each SAR shall be equal to the greater of (i) the exercise price of the related Stock Option, if any, or (ii) the Fair Market Value of a share of Company Stock as of the date of grant of such SAR.

7.2 Exercise.

7.2.1 No SAR shall be exercisable more than 10 years after the date of its grant.

7.2.2 An SAR not granted in tandem with a Stock Option will become exercisable at such time or times, and on such terms and conditions, as the Committee shall specify. Unless the Committee provides otherwise in the Grant Instrument, the provisions of Article 5 applicable to Nonqualified Stock Options, including, without limitation, those related to exercise upon termination of employment or service, shall be applicable to non-tandem SARs; provided, however, that all such SARs shall become immediately exercisable upon the occurrence of a Change of Control of the Company.

7.2.3 An SAR granted in tandem with a Stock Option will be exercisable only at such time or times, and to the extent, that the related Stock Option is exercisable and will be exercisable only in accordance with the exercise procedure for the related Stock Option. Upon the exercise of a Stock Option, the SARs relating to the Company Stock covered by the related Stock Option shall terminate. Upon the exercise of SARs, the related Stock Option shall terminate to the extent of an equal number of shares of Company Stock.

7.3 Value of SARs. Upon a Grantee's exercise of some or all of the Grantee's SARs, the Grantee shall receive in settlement of such SARs an amount equal to the value of the stock appreciation for the number of SARs exercised, payable in cash, Company Stock or a combination thereof. The stock appreciation for an SAR is the difference between the base price of the SAR as described in Section 7.1 and the Fair Market Value of the underlying Company Stock on the date of exercise of such SAR.

7.4 Form of Payment. Upon exercise of an SAR, payment shall be made in the form of shares of Company Stock, valued at their Fair Market Value on the date of exercise, in cash, or in a combination thereof, as the Committee, in its sole discretion, shall determine. Payment by the Company of SARs shall be subject to withholding of applicable taxes in accordance with Article 14.

Article 8. Restricted and Deferred Stock Grants and Performance Awards

8.1 Restricted Stock. The Committee may issue or transfer shares of Company Stock to an eligible participant under a Grant (a "Restricted Stock Grant"), upon such terms as the Committee deems appropriate. The following provisions are applicable to Restricted Stock Grants:

8.1.1 Shares of Company Stock issued pursuant to Restricted Stock Grants may be issued for cash consideration or for no cash consideration, at the sole discretion of the Committee. The Committee shall establish conditions under which restrictions, if any, on the transfer of shares of Company Stock shall lapse over a period of time or according to such other criteria as the Committee deems appropriate. The period of time during which the Restricted Stock Grant will remain subject to restrictions will be designated in the Grant Instrument as the "Restriction Period."

8.1.2 If the Grantee ceases to be employed by the Company or, in the case of a Non-Employee Director, to serve or be engaged as such, during a period designated in the Grant Instrument as the Restriction Period, or if other specified conditions are not met, the Restricted Stock Grant shall terminate as to all shares covered by the Grant as to which restrictions on transfer have not lapsed and those shares of Company Stock must be immediately returned to the Company. The Committee may, however, in its sole discretion, provide for complete or partial exceptions to this requirement as it deems appropriate, including, without limitation, upon death, Disability or Retirement (as defined in Section 5.6.4).

8.1.3 During the Restriction Period, a Grantee may not sell, assign, transfer, pledge or otherwise dispose of the shares of Company Stock to which such Restriction Period applies except to a Successor Grantee under Article 10. Each certificate for a share issued or transferred under a Restricted Stock Grant shall contain a legend giving appropriate notice of the restrictions in the Grant. The Grantee shall be entitled to have the Restricted Stock legend pursuant to this Section 8.1 removed from the stock certificate or certificates covering any of the shares subject to restrictions when all restrictions on such shares have lapsed.

8.1.4 During the Restriction Period, unless the Committee determines otherwise, the Grantee shall have the right to vote shares subject to the Restricted Stock Grant and to receive any dividends or other distributions paid on such shares, subject to any restrictions deemed appropriate by the Committee.

8.1.5 Except as provided by Article 15, all restrictions imposed under the Restricted Stock Grant shall lapse upon the expiration of the applicable Restriction Period and the satisfaction of any conditions imposed by the Committee. The Committee may determine, as to any or all Restricted Stock Grants, that all the restrictions shall lapse without regard to any Restriction Period. All restrictions under all outstanding Restricted Stock Grants shall automatically and immediately lapse upon a Change of Control.

8.2 Deferred Stock.

8.2.1 The Committee may grant a participant the right to receive shares of Company Stock to be delivered in the future (a “Deferred Stock Grant”). Delivery of the Company Stock pursuant to a Deferred Stock Grant will take place at such time or times, and on such terms and conditions, as the Committee may determine. The Committee may provide at the time of the Deferred Stock Grant that the stock to be delivered will be restricted stock pursuant to Section 8.1. The Committee may at any time accelerate the time at which delivery of all or any part of the Company Stock will take place; provided, however, that unless otherwise provided by the Committee at the time of grant, the time of delivery of the deferred stock will automatically accelerate to the date of a Change of Control.

8.2.2 During any deferral period, the Grantee shall not have any rights as a shareholder with respect to the deferred shares.

8.3 Performance Awards. The Committee may grant a participant the right to receive, without payment, a grant of Restricted or Deferred Stock, as determined by the Committee, following the attainment of such performance goals, during such measurement period or periods, and on such other terms and conditions, as the Committee may determine (a “Performance Award”). Performance goals may be related to personal performance, corporation performance, group or departmental performance or any such other category of performance as the Committee may determine. The Committee shall have the authority to determine the performance goals, the period or periods during which performance is to be measured and all other terms and conditions applicable to the Performance Award. Unless otherwise determined by the Committee at the time of grant, all performance goals shall be deemed satisfied and the Performance Award shall vest upon the occurrence of a Change of Control.

8.4 Tax Withholdings. Delivery of stock pursuant to this Article 8 shall be subject to withholding of applicable taxes in accordance with Article 14.

Article 9. Transferability of Grants

9.1 Limitation. During a Grantee's lifetime, only the Grantee may exercise rights under a Grant and Grants may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, except by will or by the laws of descent and distribution or, with respect to Grants other than Incentive Stock Options, if permitted in any specific case by the Committee, in its sole discretion.

9.2 Successor Grantee. When a Grantee dies, the representative or other person entitled to succeed to the rights of the Grantee may exercise such rights. A successor Grantee must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Grantee's will or under the applicable laws of descent and distribution.

Article 10. Change of Control of the Company

10.1 Definitions. As used herein, a "Change of Control" shall be deemed to have occurred if:

(i) a liquidation or dissolution of the Company (excluding transfers to subsidiaries) or the sale of all or substantially all of the Company's assets occurs;

(ii) as a result of a tender offer, stock purchase, other stock acquisition, merger, consolidation, recapitalization, reverse split or sale or transfer of assets, any person or group (as such terms are used in and under Section 13(d)(3) or 14(d)(2) of the Exchange Act) becomes the beneficial owner (as defined in Rule 13-d under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, that for purposes of this Section 10.1, a person or group shall not include the Company or any subsidiary or any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary;

(iii) if at least a majority of the Board at any time does not consist of individuals who were elected, or nominated for election, by directors in office at the time of such election or nomination; or

(iv) the Company merges or consolidates with any other corporation (other than a wholly owned subsidiary) and is not the surviving corporation (or survives only as a subsidiary of another corporation); or

(v) the occurrence of such other event as the Committee, in its sole discretion, shall designate at any time as a Change of Control.

10.2 Business Combination Transaction. Any agreement to which the Company or any of its subsidiaries is a party which provides for any merger, consolidation, share exchange, or similar transaction of the Company with or into another corporation or other association whereby the Company is not to be the surviving or parent corporation may provide, without limitation, for the assumption of any outstanding Grants by the surviving corporation or association or its parent or for an equitable mandatory settlement of any outstanding Grants in cash based on the consideration paid to shareholders in such transaction and all outstanding Grants shall be subject to such agreement. In any case where Grants are assumed by another corporation, appropriate equitable adjustments as to the number and kind of shares or other securities and the purchase or exercise price(s) shall be made.

Article 11. Amendment and Termination of the Plan

11.1 Amendment. The Board may amend, suspend or terminate the Plan (including, without limitation, Article 6 hereof) at any time, in its discretion, subject to any required shareholder approval or any shareholder approval which the Board deems advisable for any reason, such as for the purpose of obtaining or retaining any statutory or regulatory benefits under tax, securities or other laws or satisfying any stock listing requirement.

11.2 Termination of Plan. The Plan shall terminate on the day immediately preceding the tenth anniversary of its effective date unless terminated earlier by the Board or unless extended by the Board with the approval of the shareholders.

11.3 Termination and Amendment of Outstanding Grants. A termination, suspension or amendment of the Plan that occurs after a Grant is made shall not materially impair the rights of a Grantee unless the Grantee consents or unless the Committee acts under Section 17.2 hereof. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant. Whether or not the Plan has terminated, an outstanding Grant may be terminated or amended under Section 17.2 hereof or may be amended by agreement of the Company and the Grantee consistent with the Plan.

11.4 Plan Provisions Binding. The Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Company and its successors and assigns. In the event of any conflict between the Plan and any Grant Instrument, the Plan shall control.

Article 12. Funding of the Plan

12.1 Unfunded Plan. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under the Plan. In no event shall interest be paid or accrued on any Grant, including unpaid installments of Grants.

Article 13. Rights of Participants

13.1 No Right to Grant. Nothing in this Plan shall entitle any Grantee or other person to any claim or right to be granted a Grant under the Plan.

13.2 No Right to Employment or Retention. Neither the Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Company or any other employment or retention rights.

13.3 No Restriction on Company. Nothing contained in the Plan shall be construed to (i) limit the right of the Company to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees of the Company, or for other proper corporate purpose, or (ii) limit the right of the Company to grant stock options or make other awards outside of the Plan.

Article 14. Withholding of Taxes

14.1 Right to Withhold. The Company shall have the right to deduct from all Grants paid in cash, or from other wages paid to an employee of the Company, any federal, state or local taxes required by law to be withheld with respect to such cash awards and, in the case of Grants paid in Company Stock, the Grantee or other person receiving such shares shall be required to pay to the Company the amount of any such taxes which the Company is required to withhold with respect to such Grants or the Company shall have the right to deduct from other wages paid to the employee by the Company the amount of any withholding due with respect to such Grants. The Company also may withhold or collect amounts with respect to a disqualifying disposition of shares of Company Stock acquired pursuant to exercise of an Incentive Stock Option.

14.2 Tender of Company Stock. A Grantee may elect to satisfy all or part of any withholding or income tax obligations arising in connection with such Grants by having the Company withhold all or a portion of any shares of Company Stock that otherwise would be issued to the Grantee or by surrendering all or a portion of any shares of Company Stock previously acquired by the Grantee. Such shares of Company Stock shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. Any payment of withholding taxes by assigning shares of Company Stock to the Company may be subject to such additional restrictions as the Committee at any time deems appropriate. If the holder of shares of Company Stock purchased in connection with the exercise of an ISO disposes of such shares within two years of the date such ISO was granted or within one year of such exercise, he shall notify the Company of such disposition and remit an amount necessary to satisfy applicable withholding requirements including those arising under federal income tax laws. If such holder does not remit such amount, the Company may withhold all or a portion of any salary then or in the future owed to such holder as necessary to satisfy such requirement. The Committee may, from time to time, make or impose, in its discretion, such additional restrictions, rules or regulations as it deems appropriate with respect to withholding of any taxes.

Article 15. Requirements for Issuance of Shares

15.1 Compliance with Law. The obligations of the Company to offer, sell, issue, deliver or transfer Common Stock under the Plan shall be subject to all applicable laws, regulations, rules and approvals, including, but not by way of limitation, the effectiveness of any registration statement under applicable securities laws if deemed necessary or appropriate by the Company. The Company's obligation to offer, sell, issue, deliver or transfer its shares under the Plan is further subject to the approval of any governmental authority required in connection therewith and is further subject to the Company receiving, should it determine to do so, the advice of its counsel that all applicable laws and regulations have been complied with. Certificates for shares of Common Stock issued hereunder may be legended as the Committee shall deem appropriate.

15.2 Restrictions on Grants. The Committee shall have the right to condition any Grant made to any Grantee hereunder on such Grantee's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Company Stock as the Committee shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof and certificates representing such shares may be legended to reflect any such restrictions.

15.3 Share Certificates. Certificates representing shares of Company Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be applicable under such laws, regulations and other obligations of the Company, including any requirement that a legend or legends be placed thereon.

15.4 No Fractional Shares. No fractional shares of Company Stock shall be issued or delivered pursuant to the Plan or any Grant. The Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

Article 16. Forfeiture

16.1 Misconduct. Notwithstanding anything to the contrary in the Plan, if the Committee finds, after consideration of the facts presented on behalf of the Company and the involved Grantee, that the Grantee has been engaged in fraud, embezzlement, theft, commission of a felony, or dishonesty in the course of the Grantee's employment by or service with the Company or by any subsidiary, or that the Grantee has disclosed trade secrets of the Company or its affiliates, and that such actions have damaged the Company or any subsidiary in any significant manner, in the discretion of the Committee, then the Grantee shall forfeit all rights under and to all unexercised Grants, and under and to all Grants to the Grantee with respect to which the Company has not yet delivered payment or certificates for shares of Stock (as the case may be), all of which Grants and rights shall be automatically canceled.

16.2 Finality of Committee Decision. The decision of the Committee as to the cause of the Grantee's discharge from employment with the Company and any subsidiary shall be final for purposes of the Plan, but shall not affect the finality of the Grantee's discharge or removal by the Company or subsidiary for any other purposes. The preceding provisions of this Section 16 shall not apply to any Incentive Stock Option to the extent such application would result in disqualification of the stock option as an incentive stock option under Sections 421 and 422 of the Code.

Article 17. Miscellaneous

17.1 Substitute Grants. The Committee may make a Grant to an employee or director of another corporation who becomes an Employee or Non-Employee Director by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company or any of its subsidiaries in substitution for a stock option or restricted stock grant made by such corporation ("Substituted Stock Incentives"). The terms and conditions of the substitute grant may vary from the terms and conditions required by the Plan and from those of the Substituted Stock Incentives. The Committee shall prescribe the provisions of the substitute grants.

17.2 Section 16 Limitations. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. The Committee, as it deems advisable, may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation.

17.3 Ownership of Stock. A Grantee or successor Grantee shall have no rights as a shareholder with respect to any shares of Company Stock covered by a Grant until the shares are issued or transferred to the Grantee or successor Grantee on the stock transfer records of the Company.

17.4 Headings. Section headings are for reference only. In the event of a conflict between a title and the content of a Section, the content of the Section shall control.

17.5 Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Instruments issued under the Plan shall exclusively be governed by and determined in accordance with the law of the Commonwealth of Pennsylvania.

Article 18. Effective Date of the Plan

18.1 The Plan shall be effective as of the date of the approval of the Plan by the Company's shareholders.

