

ENB Financial Corp  
Form DEF 14A  
April 06, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the Appropriate Box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

**ENB Financial Corp**

(Name of Registrant as Specified in Its Charter)

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

**Payment of Filing Fee (Check the appropriate box):**

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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(1) Amount Previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**ENB FINANCIAL CORP**

**31 East Main Street**

Ephrata, PA 17522

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**TO BE HELD ON TUESDAY, MAY 8, 2018**

**TO THE SHAREHOLDERS OF ENB FINANCIAL CORP:**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of the Shareholders of ENB Financial Corp (the “Corporation”) will be held at the Main Office of Ephrata National Bank, 31 East Main Street, Ephrata, Pennsylvania, 17522, on Tuesday, May 8, 2018, at 1:00 p.m., local time, for the purpose of considering and voting upon the following matters:

- To elect three (3) Class B directors to serve for a three-year term and until their successors are elected and qualified.
1. The nominees of the Board of Directors for election as Class B directors are Willis R. Lefever, Donald Z. Musser and Judith A. Weaver; and
  2. To transact such other business as may properly be presented at the annual meeting and any adjournment or postponement of the meeting.

Shareholders of record at the close of business on Friday, March 9, 2018, are entitled to notice of and to vote at the Annual Meeting of Shareholders.

**Your vote is important regardless of the number of shares you own.** Please submit your vote by completing and signing the enclosed proxy card and mailing it promptly in the postage paid envelope or, if you prefer, you may vote by telephone at 1-800-652-8683 or via the Internet at [www.investorvote.com/ENBP](http://www.investorvote.com/ENBP). Internet voting is available until 1:00 a.m. Eastern Time the day of the meeting. We cordially invite you to attend the meeting. Your proxy is revocable and you may withdraw it at any time prior to voting at the meeting. You may deliver notice of revocation or deliver a later dated proxy to the Secretary of the Corporation before the vote at the meeting. If you are a shareholder whose

shares are registered in “street name” and held in a stock brokerage account or by a bank or other nominee, you will need additional documentation from your broker in order to vote in person at the meeting.

We enclose, among other things, a copy of the 2017 ENB Financial Corp Annual Report.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on Tuesday, May 8, 2018: The proxy statement, proxy card and 2017 Annual Report are available on the Internet at: [www.investorvote.com/ENBP](http://www.investorvote.com/ENBP).**

By Order of the Board of Directors,

Aaron L. Groff, Jr.  
Chairman, President and Chief Executive Officer

Ephrata, Pennsylvania  
April 6, 2018

**PROXY STATEMENT**

Dated and mailed on or about April 6, 2018

**ENB FINANCIAL CORP**

**31 EAST MAIN STREET**

**EPHRATA, PENNSYLVANIA 17522**

(717) 733-4181

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON TUESDAY, MAY 8, 2018**

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**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF SHAREHOLDERS OF**

**ENB FINANCIAL CORP**

**MAY 8, 2018**

**GENERAL INFORMATION**

Introduction

ENB Financial Corp was formed on July 1, 2008 as the holding company for Ephrata National Bank. Throughout this proxy statement, ENB Financial Corp and its wholly owned subsidiary, Ephrata National Bank, will be collectively referred to as “the Corporation” and, on behalf of the Board of Directors (“the Board”), furnishes this proxy statement in connection with the solicitation of proxies for use at the Corporation’s 2018 Annual Meeting of Shareholders. This proxy statement and the related proxy card are being distributed on or about April 6, 2018.

We have not authorized anyone to provide you with information about the Corporation; therefore, you should rely only on the information contained in this document or in the documents to which we refer you. Although we believe we have provided you with all the information helpful to you in your decision to vote, events may occur at the Corporation subsequent to printing this proxy statement that might affect your decision or the value of your stock.

Date, Time and Place of the Annual Meeting

The Annual Meeting of Shareholders will be held on Tuesday, May 8, 2018, at 1:00 p.m., local time, at the Main Office of Ephrata National Bank, 31 East Main Street, Ephrata, Pennsylvania 17522. All inquiries regarding the annual meeting should be sent by mail to Barry W. Harting, Corporate Secretary, 31 East Main Street, P.O. Box 457, Ephrata, Pennsylvania 17522 or by telephone at (717) 733-4181.

Purpose of the Annual Meeting

At the annual meeting, shareholders will vote on the following matters:

- To elect three (3) Class B directors to serve for a three-year term and until their successors are elected and qualified.
1. The nominees of the Board of Directors for election as Class B directors are Willis R. Lefever, Donald Z. Musser and Judith A. Weaver;
  2. To transact such other business as may properly be presented at the annual meeting and any adjournment or postponement of the meeting.

## **PROXY SOLICITATION AND VOTING PROCEDURES**

### **Proxy Solicitation**

The Board solicits this proxy for use at the Corporation's 2018 Annual Meeting of Shareholders and the Corporation will pay the cost of preparing, printing, assembling, mailing, and soliciting proxies and any additional material that the Corporation sends to its shareholders. In addition to the solicitation of proxies by mail, the Corporation's directors, officers, and employees may solicit proxies in person or by telephone, facsimile, email, or other similar electronic means without additional compensation. The Corporation will make arrangements with brokerage firms and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of stock held by these entities. The Corporation will, upon request, reimburse these third parties for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners of stock.

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**Voting Procedures**

Only shareholders of record at the close of business on March 9, 2018, may vote at the meeting. As of the close of business on March 9, 2018, the record date for the annual meeting, 2,869,557 shares of the Corporation's common stock, par value \$0.20 per share, were issued and 2,849,823 shares were outstanding.

If your shares are registered directly in your name with the Corporation's transfer agent, Computershare, you are considered, with respect to those shares, the shareholder of record, and these proxy materials are being sent directly to you by the Corporation. You can vote your shares by completing and returning a written proxy card or by voting via the Internet or telephone as instructed on the proxy card. You may also vote in person at the meeting. The method by which you vote will in no way limit your right to attend and vote at the annual meeting if you later decide to attend in person.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker how to vote, and you are also invited to attend the meeting. However, because you are not the shareholder of record, you may not vote your street name shares in person at the meeting unless you obtain a proxy executed in your favor from your broker or nominee, the holder of record. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

By properly completing a proxy, you appoint Janice S. Eaby and John H. Shuey as proxy holders to vote your shares in accordance with your instructions as indicated on the proxy card. Any signed proxy card not specifying to the contrary will be voted:

**FOR** the election of the director nominees identified in this proxy statement; and

**FOR** the approval to transact such other business as may properly be presented at the annual meeting and any adjournment or postponement of the meeting.

As of the date of this document, the Board of Directors knows of no matters that will be presented for consideration at the annual meeting other than the ones described in this document. If any other matters shall properly come before the meeting and be voted upon, the persons named as proxy holders will vote on those matters in accordance with the recommendations of the Board of Directors.

## Revocability of Proxy

Shareholders of record who completed proxies may revoke them at any time before they are voted at the annual meeting by:

· delivering a written notice of revocation to Mr. Barry W. Harting, Corporate Secretary, at 31 East Main Street, P.O. Box 457, Ephrata, Pennsylvania 17522;

· voting via telephone or Internet or by delivering a duly executed proxy bearing a later date to the Corporate Secretary; or

· voting in person after giving written notice to the Corporate Secretary.

## Quorum and Votes Required for Approval

In order to hold the annual meeting, a quorum of the Corporation's outstanding shares must be present. Under Pennsylvania law and the Corporation's bylaws, a majority of the outstanding shares of common stock, represented in person or by proxy, constitutes a quorum for the purpose of conducting business. Votes withheld and abstentions will be counted for determining the presence of a quorum but broker non-votes will not be counted for determining the presence of a quorum for a particular matter as to which the broker withheld authority.

Each share is entitled to one (1) vote on all matters submitted to a vote of shareholders. All matters to be

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voted on by the shareholders require an affirmative vote of a majority of shares voted, in person or by proxy, at the annual meeting, except in cases where the vote of a greater number of shares is required by law or under the Corporation's articles of incorporation or bylaws. In the case of election of directors, the candidates receiving the highest number of "FOR" votes cast by those shareholders entitled to vote for the election of directors are elected. Shareholders are not entitled to cumulate votes for the election of directors. The proxy holders will not cast votes for or against any director nominees where the broker withheld authority.

## GOVERNANCE OF THE COMPANY

### Introduction

The Corporation's governing body is its Board of Directors. The Board is responsible for directing and overseeing the management of the Corporation's business in the best interests of its shareholders and to fulfill its mission of service to the communities in which it conducts business. In carrying out its responsibilities, the Board selects and monitors senior management, provides oversight for financial reporting, legal, and regulatory compliance, determines the Corporation's governing principles, and implements its governance policies. The Board believes that the purpose of corporate governance is to ensure that the Corporation is managed for the long-term benefit of its shareholders, and to conduct business in a manner consistent with legal requirements and the highest standards of integrity. The Board has adopted and adheres to corporate governance practices that it believes promote this purpose.

### Composition of the Board of Directors

The Board of Directors seeks to ensure that it is composed of members whose particular experience, qualifications, attributes, skills, and diversity, when taken together as a group, will allow the Board of Directors to satisfy its oversight responsibilities effectively. In identifying candidates for Director, the Nominating and Governance Committee and the Board of Directors takes into account: (1) the comments and recommendations of individual Board members regarding the effectiveness of the existing Board of Directors or the need to enhance the Board of Directors with members who bring particular experience, qualifications, attributes, skills, and diversity; (2) the necessary expertise and sufficiently diverse business and social backgrounds of the overall composition of the Board of Directors to effectively represent the market areas in which the Corporation conducts business; (3) the independence of non-employee Directors and other possible conflicts of interest of existing and potential members of the Board of Directors; and (4) other criteria that assures representation of the general population of the communities in which the Corporation is involved.

### Leadership Structure of the Board of Directors

The Board of Directors is structured in a way that provides for leadership from the Chairman. The Chairman of the Board of Directors also serves as President and Chief Executive Officer of the Corporation. The Board of Directors has not established a position of “Lead Director” from among the independent directors, nor does any independent director assume that position of leadership within the Board. The Board of Directors believes this leadership structure is appropriate for the Corporation considering the structure of the Corporation, the number of Board meetings, the number of Board committees, and the degree of involvement of the independent directors in the Board committees. The Board further believes its present leadership structure ensures that management is aligned with the Board to effectively implement the business strategy endorsed by the Board.

#### Role of the Board of Directors in Risk Oversight

The Board of Directors recognizes the importance of on-going identification and management of risk in order to maintain a sound financial and reputational condition. The Board has adopted a risk management policy to affirm its awareness of the need to establish a program of Enterprise Risk Management (ERM). The Board commits to providing sufficient resources to ensure full implementation of an ERM program and will maintain an ERM framework to coordinate the many aspects of risk.

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The Board of Directors is ultimately responsible for the Corporation's risk management program and has approved a General Risk Appetite Statement. The Board of Directors and management use a balanced approach in determining acceptable levels of risk to undertake. The Corporation will only tolerate those risks which permit it to:

- . Achieve its stated strategic business objectives
- . Provide a return that meets or exceeds expectations
- . Comply with all applicable laws and regulations
- . Conduct its business in a safe and sound manner

Risk is an inherent component of the Corporation's activities. The ability to effectively identify, assess, measure, respond, monitor, and report on risk activities is critical to the achievement of the Corporation's mission and strategic objectives. The Corporation's risk management approach reflects its values, influences its culture, and guides its operations. It is captured in policy statements, Board and management directives, operating procedures, training programs, and is demonstrated in daily activities by management and staff.

ERM is a group of structured and consistent risk management processes that are applied across the Corporation. An ERM program identifies, assesses, prioritizes, and provides a formal structure for the internal and external risks that impact an organization. These activities are categorized under commonly accepted categories of risk. The Corporation has elected to adopt the categories currently identified by the Office of the Comptroller of the Currency.

The Corporation's ERM program is driven by an approach that is aligned with the Corporation's profile and strategic objectives. It is enhanced by formalizing roles within the Corporation, active committees, policies and procedures, reporting, communication, and technology.

The Corporation's ERM program produces various risk mitigation activities within the business units. The resulting strategic, financial, and operational risk mitigation activities that are implemented strengthen the Corporation, reduce the potential for unexpected losses, and manage the volatility experienced by the Corporation.

Director Independence

The corporate governance principles of the Corporation provide that a majority of the members of the Board of Directors, and each member of the Audit, Compensation, Nominating and Governance, and Trust Operations Committees, must meet the standards for independence as defined by the Securities and Exchange Commission (SEC) and Nasdaq.

Currently, the Corporation's Board of Directors has ten (10) members. Eight (8) directors: Joshua E. Hoffman, Willis R. Lefever, Donald Z. Musser, Susan Y. Nicholas, Brian K. Reed, Mark C. Wagner, Judith A. Weaver, and Paul M. Zimmerman, Jr., meet the standards for independence. This constitutes more than a majority of the Board of Directors. Two (2) directors, Aaron L. Groff, Jr. and Paul W. Wenger, do not meet the standards of independence because Mr. Groff is an employee of the Corporation and Mr. Wenger was an employee of the Corporation until his retirement on December 31, 2015. Only independent directors serve on the Corporation's Audit Committee, Compensation Committee, Nominating and Governance Committee, and Trust Operations Committee.

In determining each director's independence, the Board considered loan transactions between the Bank and the individuals, their family members, and businesses with whom they are associated, as well as any contributions made to non-profit organizations with which they are associated. In each case, the Board determined that none of the transactions impaired the independence of the non-employee directors.

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

During 2017, the Board of Directors of the Corporation held sixteen (16) meetings, and all the committees of the Board of Directors held a combined total of sixteen (16) meetings, for a total of thirty-two (32) meetings. Each of the directors attended at least 75% of the aggregate number of meetings of the Board of Directors and of the committees on which they served during 2017. While the Corporation has no written policy requiring directors to



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attend the Annual Meeting of Shareholders, all members of the Board of Directors at the time were present at the 2017 Annual Meeting of Shareholders.

The Board of Directors currently has the following committees:

Audit Committee  
Building and Expansion Committee  
Compensation Committee  
Nominating and Governance Committee  
Trust Operations Committee

**Audit Committee.** The members of the Audit Committee in 2017 were: Mark C. Wagner (Chair), Donald Z. Musser, Joshua E. Hoffman and Susan Y. Nicholas. All members of the Audit Committee have been determined to be independent of management of the Corporation as outlined by the SEC and Nasdaq rules for Audit Committees. The Audit Committee oversees the accounting and tax functions of the Corporation, recommends to the Board the engagement of independent auditors for the year, reviews with management and the auditors the plan and scope of the audit engagement, reviews the annual financial statements and any recommended changes or modifications to control procedures and accounting practices and policies, and monitors with management and the auditors the system of internal controls and accounting and reporting practices. The Board of Directors has designated Joshua E. Hoffman as an Audit Committee *Financial Expert*, as defined in the Sarbanes-Oxley Act and applicable SEC rules and regulations. The Audit Committee has the authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Audit Committee held five (5) meetings during 2017.

The Audit Committee operates under a written charter which is available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary.

**Building and Expansion Committee.** The members of the Building and Expansion Committee in 2017 were: Willis R. Lefever (Chair), Donald Z. Musser, and Brian K. Reed. This committee provides guidance regarding the purchase and/or lease of real estate, the construction and/or renovation of branch offices, and general improvements to facilities. The Building and Expansion Committee met twice during 2017.

The Building and Expansion Committee operates under a written charter which is available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary.

**Compensation Committee.** The members of the Compensation Committee in 2017 were: Paul M. Zimmerman, Jr. (Chair), Mark C. Wagner, and Judith A. Weaver. All members of the Compensation Committee have been determined

to meet the standards and to be independent of management of the Corporation as outlined by the SEC and Nasdaq. The Compensation Committee evaluates the Chief Executive Officer's performance and makes recommendations to the Board of Directors concerning the Chief Executive Officer's compensation based on its evaluation. The Chief Executive Officer is not present when these discussions occur. The Compensation Committee also makes recommendations to the Board of Directors concerning the salaries and benefits of directors, officers, and employees of the Corporation. Executive officers are not present when this occurs. The Compensation Committee did not hire a compensation consultant in 2017. The Compensation Committee met three (3) times during 2017.

The Compensation Committee operates under a written charter which is available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary.

**Nominating and Governance Committee.** The members of the Nominating and Governance Committee in 2017 were: Susan Y. Nicholas (Chair), Willis R. Lefever, and Paul M. Zimmerman, Jr. The Nominating and Governance Committee consists entirely of directors that are independent of management of the Corporation as outlined by the SEC and Nasdaq. The Nominating and Governance Committee was established to provide continuing assistance to the Board of Directors in matters relating to corporate governance, Board performance,

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composition of the Board, and Board and Management succession planning. The Nominating and Governance Committee met twice during 2017.

The Nominating and Governance Committee operates under a written charter and *Corporate Governance Guidelines* which are available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary.

**Trust Operations Committee.** The members of the Trust Operations Committee in 2017 were: Judith A. Weaver (Chair), Willis R. Lefever, Susan Y. Nicholas and Brian K. Reed. This committee consists entirely of directors who are independent of management of the Corporation as outlined by the SEC and Nasdaq. The Trust Operations Committee provides general supervision over all trust accounts held and managed in the Corporation's Money Management Group and reviews all new and closed trust accounts. This committee met four (4) times during 2017.

The Trust Operations Committee operates under a written charter which is available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary.

**Shareholder Communications**

The Board of Directors does not have a formal process for shareholders to send communications to the Board. Due to the infrequency of shareholder communications to the Board of Directors, the Board does not consider a formal process necessary. Shareholders who wish to communicate to the Board of Directors should send their requests to Barry W. Harting, Corporate Secretary, ENB Financial Corp, 31 East Main Street, P.O. Box 457, Ephrata, Pennsylvania 17522. Written communications received by the Corporation from shareholders are shared with the full Board of Directors no later than the next regularly scheduled Board meeting.

**Shareholder Proposals**

If a shareholder wants to submit a proposal to be considered for inclusion in the proxy statement for next year's annual meeting, the written proposal must be received by the Corporation no later than December 7, 2018. Proposals received after that date may be considered at the annual meeting but, at the discretion of the Board of Directors, they may not be included in the proxy statement. Shareholder Proposals may be sent to Barry W. Harting, Corporate Secretary, ENB Financial Corp, 31 East Main Street, P. O. Box 457, Ephrata, Pennsylvania 17522.

Transactions with Related Persons

Some of the directors and executive officers of ENB Financial Corp or its wholly-owned subsidiary, Ephrata National Bank, were customers of, and had banking transactions with, Ephrata National Bank during 2017. These transactions included deposit accounts, trust relationships, and loans. All loans and loan commitments made to such persons and to the companies with which they are associated were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender, and did not involve more than a normal risk of collectability or present other unfavorable features. It is anticipated that similar transactions will be entered into in the future. By using Ephrata National Bank's products and services, directors and officers have the opportunity to become familiar with the wide array of products and services offered by Ephrata National Bank to its customers.

Total loans outstanding as of December 31, 2017, from Ephrata National Bank to the directors and executive officers as a group and members of their immediate families and companies in which they had an ownership interest of 10% or more was \$5,669,000 or approximately 5.7% of the Corporation's total equity capital. The aggregate amount of indebtedness outstanding to the group described above as of the record date of this proxy, March 9, 2018, was \$5,786,000. Prior to any business dealings with directors or executive officers, the Board of Directors reviews and discusses any such transaction outside the presence of the director or executive officer.

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**ELECTION OF DIRECTORS**

**Nomination of Directors**

Under the Corporation's bylaws, nominations for election to the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Other than the Corporation's bylaws, the Board does not have a policy regarding nominations for election to the Board of Directors because of the infrequency of such nominations. To make a nomination, a shareholder must mail a notice to Mr. Barry W. Harting, Corporate Secretary, ENB Financial Corp, 31 East Main Street, P.O. Box 457, Ephrata, Pennsylvania 17522. Such notice of nomination must be made not less than fourteen (14) days nor more than fifty (50) days prior to the date of any meeting of shareholders called for the election of directors. If less than twenty-one (21) days of notice of the meeting is given to shareholders, such notice of nomination shall be mailed or delivered to the Secretary of the Corporation not later than the close of business on the seventh (7<sup>th</sup>) day following the day on which the notice of the meeting was mailed. Any notice of nomination shall contain the following information to the extent known by the notifying shareholder:

- The name, address, and principal occupation of the proposed nominee;
- The total number of shares that, to the knowledge of the notifying shareholder, will be voted for the proposed nominee;
- The name and residence address of the notifying shareholder; and
- The number of shares of the Corporation's common stock owned by the notifying shareholder.

The Corporation's bylaws authorize the number of directors at any time to be not less than five (5) and not more than twenty-five (25). The bylaws also provide for three (3) classes of directors, with each class serving three-year terms to expire in successive years. Three (3) Class B directors have been nominated for election at the 2018 Annual Meeting and, if elected, will serve until the 2021 annual meeting of shareholders. All nominees were unanimously approved by the Board of Directors which is currently comprised of ten (10) members. The Corporation's bylaws require that directors who reach the age of seventy (70) prior to the date of the annual meeting when such director's term expires may not stand for reelection to the Board of Directors. In 2017, no current directors had reached the age of seventy (70) prohibiting them from being reelected.

The Board of Directors unanimously nominated incumbent directors Willis R. Lefever, Donald Z. Musser and Judith A. Weaver to serve as Class B Directors and they have consented to serve another term as a director if reelected. If, prior to the annual meeting, any nominee should become unable to serve on the Board for any reason, proxies received from shareholders will be voted in favor of a substitute nominee as the Board of Directors determines. Any vacancy on the Board of Directors for any reason after the annual meeting may be filled by appointment by a majority of the Board of Directors then in office, and each person so appointed shall be a director until the expiration of the term of the class of directors to which he or she was appointed.

Janice S. Eaby and John H. Shuey, the persons named as proxy holders, will vote the proxies “**FOR**” the election of each of the nominees named below, unless a shareholder indicates that his or her vote should be withheld from any or all of them. The three (3) nominees for director receiving the highest number of votes cast by shareholders entitled to vote for the election of directors shall be elected.

The three (3) nominees for Class B Director to be elected at the 2018 Annual Meeting are:

- Willis R. Lefever;
- Donald Z. Musser; and
- Judith A. Weaver.

**The Board of Directors unanimously recommends that shareholders vote “FOR” these nominees.**

Information and Qualifications of Nominees for Director and Continuing Directors

The following paragraphs provide information as of the record date of this proxy, March 9, 2018, about the three (3) nominees to the Board of Directors whose term of office will expire at the 2018 Annual Meeting, and each of the seven (7) continuing directors whose terms will expire in subsequent years. The information presented

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includes the age of each nominee and continuing director, all positions he or she holds, his or her principal occupation and business experience for the past five years, the names of other publicly-held companies for which he or she currently serves as a director, or has served as a director during the past five years, and information on the involvement with non-profit and community organizations that each nominee and continuing director has told us about. In addition to the information presented below regarding specific experience and attributes and skills that the Board feels qualifies each nominee and director to serve as a director, the Board also believes that all nominees and continuing directors have a reputation for integrity, honesty, and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to ENB Financial Corp, Ephrata National Bank, and the Board.

There are no family relationships among any of the directors or executive officers of ENB Financial Corp or its wholly owned subsidiary, Ephrata National Bank.

Information about the number of shares of common stock beneficially owned by each director appears in the “SHARE OWNERSHIP” section below under the heading “Beneficial Ownership by Nominees for Director, Continuing Directors and Named Executive Officers.”

**Nominees for Election as Class B Directors for a term expiring at the 2021 Annual Meeting**

**Willis R. Lefever**

Director since 2004

Mr. Lefever, age 63, is Owner of Lefever Construction, a home builder and land development proprietorship, and owner of Lefever Auto Sales, LLC, both near Ephrata, Pennsylvania. In addition to demonstrating strong business acumen in his successful management of small businesses for more than 38 years, we believe Mr. Lefever is qualified to be a director of Ephrata National Bank and ENB Financial Corp because of his understanding of the land development and building industry in Lancaster County, and his thorough knowledge and understanding of the social and economic aspects of the communities that are served by the Corporation.

**Donald Z. Musser**

Director since 2007

Mr. Musser, age 57, is Owner of Little Stream Auto Rentals in New Holland, Pennsylvania. In addition to his 32 years of experience in business, Mr. Musser is very active in non-profit and faith-based service organizations in Northern

Lancaster County, currently serving as Board Chair of Lighthouse Vocational Services, and Board Secretary of Community Aid Relief Effort. We believe Mr. Musser is qualified to serve as a director of Ephrata National Bank and ENB Financial Corp because of his business experience and his particular knowledge and understanding of the needs of the geographical, social, and faith communities of which he is a part.

**Judith A. Weaver**

Director since 2012

Ms. Weaver, age 59, is the Owner and President of Martin's Trailside Express, Inc., a truck stop and restaurant, and Martin Services Group, Inc., a corporate reseller of bulk petroleum products. Ms. Weaver is also a partner in MSW Properties LP, a family real estate partnership. All of these entities are located in East Earl, Pennsylvania. In addition to her 41 years of business experience in the wholesale and retail industries, Ms. Weaver is also involved in her community, currently serving as a director of the Pennsylvania Regional Board of Hope International, and previously having served as a board member and Board Secretary at Garden Spot Village, a retirement community in New Holland, Pennsylvania, and on the Executive Committee at the New Holland Recreation Center in New Holland, Pennsylvania. We believe Ms. Weaver is qualified to serve as a director of Ephrata National Bank and ENB Financial Corp because she is able to contribute her experience and thorough understanding of wholesale, retail, and service-oriented business issues affecting the communities in which the Corporation provides financial services.



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**Continuing as Class A Directors for a term expiring at the 2019 Annual Meeting**

**Aaron L. Groff, Jr.**

Director since 1999

Mr. Groff, age 68, has served as Chairman, President, and Chief Executive Officer of ENB Financial Corp since July 1, 2008, and as Chairman, President, and Chief Executive Officer of Ephrata National Bank since January 1, 1999. Mr. Groff has been an employee of Ephrata National Bank since 1967, and has served in various officer positions including Cashier from 1980 to 1998, and Vice President from 1984 to 1998. In addition to his experience at Ephrata National Bank and ENB Financial Corp, Mr. Groff served two terms on the Board of Directors of the Federal Reserve Bank of Philadelphia. During his terms as director of that organization, Mr. Groff served as the Chairman of the Audit Committee and as a member of the Corporate Governance and Nominating Committee. His service to the Federal Reserve Bank of Philadelphia provided Mr. Groff with broad insights into the regional and national financial markets. Also, Mr. Groff served as a member of the Board of Directors of the Pennsylvania Bankers Association from 2009 to 2012, and is currently a board member of several local civic, health industry, non-profit and faith-based organizations. We believe Mr. Groff's qualifications to be a director of Ephrata National Bank and ENB Financial Corp include his 50 years of experience in all aspects of the banking industry, and his involvement and thorough understanding of the communities in which the Corporation provides financial services.

**Brian K. Reed**

Director since 2013

Dr. Reed, age 55, is business owner and manager of Agricultural Veterinary Associates located in Lititz, Pennsylvania. His firm serves the agricultural community throughout Lancaster and Lebanon Counties and beyond. Dr. Reed has been a veterinarian for more than 28 years, and focuses his practice on the dairy industry, combining veterinary medicine with business management consulting services. Dr. Reed is actively involved in a number of veterinary and agricultural organizations, dairy associations and commissions, and community endeavors. We believe Dr. Reed is qualified to serve as a director of Ephrata National Bank and ENB Financial Corp because of his business experience, his strong background in finance and administration, and his education and expertise in business management consulting and strategic planning with farmers in the dairy industry within the Corporation's market area.

**Paul M. Zimmerman, Jr.**

Director since 1999

Mr. Zimmerman, age 66, is an owner and past President of Paul B. Zimmerman, Inc., headquartered in Ephrata, Pennsylvania. Paul B. Zimmerman, Inc. is the parent company of Paul B, LLC, retail hardware stores; PBZ, LLC, a manufacturing business; and Keystone Coating, LLC, a powder coating business. The Paul B. Zimmerman, Inc. family of companies serves the agricultural, commercial, and consumer markets in Lancaster County and Mifflin County, Pennsylvania. In addition to his 41 years of business experience, Mr. Zimmerman is actively involved in the community, serving as a board member of several non-profit and faith-based organizations. We believe that Mr. Zimmerman's strong business experience in purchasing, sales, strategic planning, and finance and his broad understanding of the business and social community he serves qualify him as a director of Ephrata National Bank and ENB Financial Corp.

**Continuing as Class C Directors for a term expiring at the 2020 Annual Meeting**

**Susan Y. Nicholas**

Director since 2008

Ms. Nicholas, age 58, is an attorney and Partner in the law firm, Young and Young Attorneys at Law, in Manheim, Pennsylvania. Ms. Nicholas has 31 years of experience as an attorney, with specific legal practice in the areas of estates, trusts, and real estate. Along with her legal experience, Ms. Nicholas brings to the Board an interest and knowledge of corporate governance issues and a familiarity with the

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social and economic composition of the greater Manheim community. In addition to the expertise in the fields of business and family law, Ms. Nicholas devotes time to her community by serving on the boards of the Manheim Central Student Loan Fund Association, Strasburg Railroad, and Sudan Rebirth Ministry. We believe Ms. Nicholas' particular skills and her involvement in community affairs qualify her to serve as a director of Ephrata National Bank and ENB Financial Corp.

**Mark C. Wagner**

Director since 2007

Mr. Wagner, age 64, is Co-owner and President of White Oak Mills, Inc., located in Elizabethtown, Pennsylvania. White Oak Mills, Inc. manufactures livestock and poultry feeds and serves the agricultural communities throughout Southeastern Pennsylvania. Additionally, Mr. Wagner owns and operates several farms in Lancaster County, Pennsylvania involved in livestock production. Mr. Wagner has served on the Economic Advisory Council of the Federal Reserve Bank of Philadelphia and as a director on numerous agriculture industry boards across Pennsylvania. In addition, Mr. Wagner currently serves as a board member of Pleasant View Retirement Community in Manheim, Pennsylvania. We believe Mr. Wagner is qualified to serve as a director of Ephrata National Bank and ENB Financial Corp because of his 38 years of business experience, his strong background in finance and administration, his familiarity and close involvement with the agriculture industry in Lancaster County, Pennsylvania, and his community involvement.

**Paul W. Wenger**

Director since 2008

Mr. Wenger, age 68, was an employee of Ephrata National Bank from 1967 until his retirement on December 31, 2015. He served as Vice President and Corporate Secretary of ENB Financial Corp from January 1, 2009 to December 31, 2015, Treasurer of ENB Financial Corp from July 1, 2008 to December 31, 2008, and Senior Vice President and Cashier of Ephrata National Bank from 1999 to December 31, 2015. During his employment with the Corporation, Mr. Wenger also held various other officer positions including Vice President of Deposit Accounting, and Vice President of Operations. Also, Mr. Wenger is active in Northern Lancaster County municipal government and serves as a board member of several civic, non-profit, and faith-based organizations. We believe he is qualified to serve as a director of Ephrata National Bank and ENB Financial Corp because of his 49 years of experience in bank management, his strong background in bank automation, operational and procedural matters, corporate governance, and his expertise in shareholder relations and other corporate issues.

**Joshua E. Hoffman**

Director since 2017

Mr. Hoffman, age 35, is the CEO of Reamstown Mutual Insurance Company located in Reamstown, PA. Reamstown Mutual Insurance Company provides insurance coverage through over 100 independent agencies in Pennsylvania. Mr. Hoffman previously held accounting and executive leadership roles at Donegal Mutual Insurance Company. Mr. Hoffman is a CPA, CMA, CPCU and also holds an MBA. Mr. Hoffman will serve on the Audit Committee and is considered a financial expert. Mr. Hoffman joined the Board on May 17, 2017.

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SHARE OWNERSHIP

Beneficial Ownership by Principal Holders

The following table shows, to the best of our knowledge, the names and addresses of each person or entity who owned shares of record, or who is known by the Board of Directors to be the beneficial owner of more than 5% of ENB Financial Corp’s outstanding common stock as of the record date of this proxy, March 9, 2018.

<u>Name and Address</u>	<u>Shares Beneficially Owned</u>	<u>Percentage of Outstanding Common Stock Beneficially Owned</u>
J. Harry Hibshman Scholarship Fund Trust C/O ENB’s Money Management Group 31 East Main Street Ephrata, Pennsylvania 17522	892,800 <sup>(1)</sup>	31.33%

<sup>(1)</sup> Directors Emeriti John H. Shuey, Walter K. Trumbauer, and current director Paul W. Wenger, are trustees of the *J. Harry Hibshman Scholarship Fund Trust*.

**Beneficial Ownership by Nominees for Director, Continuing Directors and Named Executive Officers**

The following table shows, as of March 9, 2018, the record date of this proxy, the number of shares and percentage of ENB Financial Corp’s outstanding common stock beneficially owned by each nominee for director, each continuing director, each named executive officer, and all nominees, continuing directors, and named executive officers as a group.

Beneficial ownership of shares of ENB Financial Corp common stock is determined in accordance with the definitions of beneficial ownership in the General Rules and Regulations of the Securities and Exchange Commission and may include stock owned by or for the individual’s spouse and minor children and any other relative who has the same home, as well as stock that the individual has or shares voting or investment power, or has the right to acquire beneficial ownership within sixty (60) days after March 9, 2018. In the following table, the number of shares owned by the indicated persons is rounded to the nearest whole share.

<b>Name of Individual</b>	<b>Shares Owned and Nature of Percentage</b>
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<u>or Identity of Group</u>	<u>Beneficial Ownership</u>	<u>of Class</u>
<b><u>Directors and Nominees</u></b>		
Aaron L. Groff, Jr.	7,700 <sup>(1)</sup>	*
Joshua E. Hoffman	1,033 <sup>(2)</sup>	*
Willis R. Lefever	6,040 <sup>(3)</sup>	*
Donald Z. Musser	3,505 <sup>(4)</sup>	*
Susan Y. Nicholas	6,464 <sup>(5)</sup>	*
Brian K. Reed	2,236 <sup>(6)</sup>	*
Mark C. Wagner	5,036 <sup>(7)</sup>	*
Judith A. Weaver	2,627 <sup>(8)</sup>	*
Paul W. Wenger	7,885 <sup>(9)</sup>	*
Paul M. Zimmerman, Jr.	7,159 <sup>(10)</sup>	*
<b><u>Named Executive Officers</u></b>		
Aaron L. Groff, Jr. (included in list of directors above)		
Scott E. Lied	5,723 <sup>(11)</sup>	*
Barry E. Miller	710 <sup>(12)</sup>	*
Barry W. Harting	2,451 <sup>(13)</sup>	*
All Nominees for Director, Continuing Directors, and Named Officers as a Group (15 persons) <sup>(14)</sup>	64,145	2.25%

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\* Indicates beneficial ownership of less than 1% of outstanding shares.

(1) Mr. Groff holds 975 shares individually and 5,725 shares jointly with his spouse. His spouse holds 1,000 shares individually.

(2) Mr. Hoffman holds 554 shares individually in an IRA and 479 shares jointly with his spouse.

(3) Mr. Lefever holds 1,040 shares individually and 5,000 shares jointly with his spouse.

(4) Mr. Musser holds these shares individually.

(5) Ms. Nicholas holds these shares individually.

(6) Dr. Reed holds 100 shares individually and 2,136 shares jointly with his spouse.

(7) Mr. Wagner holds these shares individually.

(8) Ms. Weaver holds 2,327 shares individually and 300 shares jointly with her spouse.

(9) Mr. Wenger holds 250 shares individually and 7,635 shares jointly with his spouse.

(10) Mr. Zimmerman holds 2,069 shares individually and 5,090 shares are held individually by his spouse.

(11) Mr. Lied and his spouse hold these shares jointly.

(12) Mr. Miller holds these shares individually.

(13) Mr. Harting holds 1,133 shares individually in an IRA and 1,318 shares jointly with his spouse.

(14) Includes shares beneficially held by Messrs. Dull and Stauffer.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the *Securities Exchange Act of 1934*, as amended, requires directors, executive officers, and persons or entities who beneficially own more than 10% of the Corporation's outstanding stock to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission. Based solely upon review of Securities and Exchange Commission Forms 3, 4, and 5 and amendments thereto, the Corporation believes that during the fiscal year ended December 31, 2017, its directors, executive officers and greater than 10% beneficial owners timely filed all reports required under Section 16(a) of the *Securities Exchange Act of 1934*, as amended.

BOARD COMPENSATION AND PLAN INFORMATION

Compensation of the Board of Directors

The following table summarizes the compensation paid by the Corporation during 2017 to Directors. Compensation received by directors who are also employees of the Corporation is reported on the OTHER COMPENSATION TABLE in the Executive Compensation Section of this document. In July 2017, directors received a paid in advance retainer of \$10,000 which covers the period of July 1, 2017 through June 30, 2018. The directors also received \$800 for each Board meeting they attended. Board meetings were held once each month during 2017, with the exception of March, May, August, and November, when two (2) Board meetings were held. Directors also received \$350 for attendance at separate committee meetings. Directors serving as Chairs of committees did not receive additional compensation for their role as Chair of a committee. The members of the Board of Directors of ENB Financial Corp also serve as members of the Board of Directors of Ephrata National Bank. Board meetings for ENB Financial Corp and Ephrata National Bank were held concurrently during 2017 and directors did not receive additional compensation for attending both meetings.



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<u>Name</u>	<u>Fees Earned or Paid in Cash</u> (\$)	<u>All Other Compensation</u> (\$)	<u>Total</u> (\$)
Joshua E. Hoffman	17,900	0	17,900
Willis R. Lefever	24,100	0	24,100
Donald Z. Musser	23,200	0	23,200
Susan Y. Nicholas	24,800	0	24,800
Brian K. Reed	24,900	0	24,900
Mark C. Wagner	25,600	0	25,600
Judith A. Weaver	24,800	0	24,800
Paul M. Zimmerman, Jr.	24,100	0	24,100
Paul W. Wenger	22,800	0	22,800

## Non-Employee Directors' Stock Plan

The Board of Directors believes that increasing the Board's financial interest in the Corporation will create a unity of purpose and identity and will be beneficial to the growth of the Corporation. To provide non-employee directors of the Corporation with a convenient and systematic method of acquiring shares of the Corporation's stock, the Board of Directors established the 2010 Non-Employee Directors' Stock Plan effective June 1, 2010. Under the Plan, non-employee directors may elect to use all, or some, of the compensation they receive as directors to purchase shares in the Corporation. All shares purchased through the 2010 Non-Employee Directors' Stock Plan are purchased at market price, without a discount.

**EXECUTIVE OFFICERS**

The following table presents selected information about executive officers of ENB Financial Corp and Ephrata National Bank as of the proxy record date, March 9, 2018. These officers are elected annually by the Board of Directors and hold office at the Board's discretion.

<u>Name</u>	<u>Age</u>	<u>Principal Occupation for the Past Five Years and Position Held with ENB Financial Corp and Ephrata National Bank</u>
Aaron L. Groff, Jr.	68	Chairman of the Board of Directors, President, and Chief Executive Officer of ENB Financial Corp since July 2008; Chairman of the Board of Directors, President, and Chief Executive Officer of Ephrata National Bank since 1999; and employee of Ephrata National Bank since 1967.

- James B. Dull 60 Senior Vice President, Senior Operations and Technology Officer of Ephrata National Bank since October 2008; Vice President, Information Systems of Ephrata National Bank from January 1996 to October 2008; and employee of Ephrata National Bank since 1982.
- Jeffrey S. Stauffer 56 Senior Vice President, Senior Lender of Ephrata National Bank since March 2017. Vice President, Senior Loan Officer from August 2014 to February 2017. Vice President, Commercial Lending Manager from 2012 to July 2014. Vice President, Commercial Loan Officer from 2002 to 2012; and employee of Ephrata National Bank since 1982.
- Barry W. Harting 61 Vice President and Secretary of ENB Financial Corp since January 2016. Senior Vice President and Chief Risk Officer of Ephrata National Bank since August 2008; Senior Vice President, Administrative Services of Ephrata National Bank from 1998 to August 2008; and employee of Ephrata National Bank since 1994.
- Scott E. Lied 56 Treasurer of ENB Financial Corp since January 2009; Senior Vice President and Chief Financial Officer of Ephrata National Bank since 2004; and employee of Ephrata National Bank since 1998.

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Barry E. Miller 63 Senior Vice President and Chief Operating Officer of Ephrata National Bank since June 2014; Vice President, Sales and Development of Ephrata National Bank from May 2013 to June 2014; Lancaster Regional President at Susquehanna Bank from February 2012 to September 2012; and Managing Director of Retail Banking at Susquehanna Bank until February 2012.

**EXECUTIVE COMPENSATION SUMMARY STATEMENT**

**Executive Summary**

It is the intent of the Compensation Committee to provide our named executive officers with a compensation package that is market competitive, promotes the achievement of our strategic objectives and is aligned with operating and other performance metrics to support long-term shareholder value.

For purposes of this proxy statement, named executive officers are those executive officers who were, at December 31, 2017, (i) the Chief Executive Officer, (ii) the Chief Financial Officer, and (iii) the other two most highly compensated executive officers of the Corporation. The following officers of the Corporation were identified as named executive officers:

Aaron L. Groff, Chairman of the Board of Directors, President, and Chief Executive Officer of ENB Financial Corp and Ephrata National Bank

Scott E. Lied Treasurer of ENB Financial Corp and Senior Vice President and Chief Financial Officer of Ephrata National Bank

Barry E. Miller Senior Vice President, Chief Operating Officer of Ephrata National Bank.

Barry W. Harting Vice President and Secretary of ENB Financial Corporation and Senior Vice President, Chief Risk Officer of Ephrata National Bank.

**Business Performance Highlights**

With the enactment of the Tax Cuts and Jobs Act in December of 2017, and the reduction of the corporate tax rate from 34% to 21%, the Corporation was required to write-down its deferred tax assets by \$1,131,000, negatively impacting 2017 earnings. However, despite this write-down, there were many indicators of solid financial

performance. The table below highlights the changes to the Corporation's Consolidated Balance Sheets and Consolidated Statements of Income for the years ending December 31, 2017 and December 31, 2016. The 2017 Consolidated Statements of Income show reported results for the year ended December 31, 2017 as well as non-GAAP results excluding the impact of the change in the corporate tax rate, compared to results for the year ended December 31, 2016.

**Non-GAAP Disclosure:**

Management has provided non-GAAP financial measurements in the below table to assist the investor in analyzing the impact of the corporate tax rate change on the Corporation's 2017 earnings. It is typical for the reader to compare the current year income statement with the prior year. In this effort, the reader desires to determine why earnings were higher or lower, and reasons therefore. The table assists the reader in that effort by showing the income statement impact of the change in the corporate tax rate by major line items. The table reveals that the change in the corporate tax rate only impacted the provision for income taxes. As such, the core earnings of the Corporation were not impacted. Management believes the non-GAAP info provides a better comparison of the Corporation's ability to generate income from year to year outside of this very unique event.

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## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

(in thousands, except per share and percentage data)

Balance Sheet (EOP)	December 31,		\$ Change	% Change					
	2017	2016			Actual	Change in Corp Tax Rate	Excl. Change in Corp Tax Rate (1)	Actual	\$ Change
Securities	\$319,661	\$308,111	\$11,550	3.7%					
Total loans	597,553	571,567	25,986	4.5%					
Allowance for loan losses	8,240	7,562	678	9.0%					
Total assets	1,033,622	984,253	49,369	5.0%					
Deposits	866,477	817,491	48,986	6.0%					
Total borrowings	65,850	69,586	(3,736 )	-5.4%					
Stockholders' equity	99,759	94,939	4,820	5.1%					
Income Statement									
Net interest income			\$30,178	—	\$ 30,178	\$25,287	\$4,891	19.3%	
Provision for loan losses			940	—	940	325	615	189.2%	
Noninterest income			10,321	—	10,321	11,144	(823 )	-7.4%	
Noninterest expense			30,877	—	30,877	27,200	3,677	13.5%	
Income before taxes			8,682	—	8,682	8,906	(224 )	-2.5%	
Provision for income taxes			2,338	\$ 1,131	1,207	1,353	985	72.8%	
Net income			6,344	(1,131 )	7,475	7,553	(1,209)	-16.0%	
Per Share Data									
Earnings per share			\$2.23	(\$0.40 )	\$ 2.63	\$2.65			
Dividends per share			1.12	—	1.12	1.09			
Earnings Ratios									
Return on average assets (ROA)			0.63%	(0.12% )	0.75%	0.80%			
Return on average stockholders' equity (ROE)			6.46%	(1.15% )	7.61%	7.74%			
Net interest margin			3.46%			3.12%			
Efficiency ratio			73.23%			75.12%			

(1) Represents a non-GAAP financial measurement.

Business performance highlights for 2017 include:

*Earnings* - The Corporation earned \$6,344,000 of net income in 2017, compared to \$7,553,000 in 2016. Excluding the impact of the change in the corporate tax rate the Corporation's earnings would have been \$7,475,000 (non-GAAP). Higher operational expenses and additional provision for loan losses caused the Corporation's earnings to be lower in 2017 than 2016. 2017 marked the first full year of expenses associated with the Corporation's newer branches that opened in 2016. With these newer branches and larger market area served, the Corporation also added lending and operational positions to support the growth of the Bank. Despite a lower level of earnings, the 2017 earnings were still sufficient to maintain capital well above regulatory minimums and pay out a higher level of dividends to the shareholder.

*Earnings per Share/Dividends per Share* - The shareholders earned \$2.23 per share in 2017 with \$1.12 per share paid out in the form of cash dividends. This compares to \$2.65 earnings per share in 2016 with \$1.09 of cash dividends per share. The dividend payout ratio was 50.2% and 41.1% for 2017 and 2016, respectively. Excluding the impact of the change in corporate tax rate the 2017 earnings per share would have been \$2.63 per share (non-GAAP) with a dividend payout ratio of 42.6% (non-GAAP).

*Performance Ratios* - For 2017, the Corporation's return on average assets (ROA) was 0.63% and the return on average equity (ROE) was 6.46%. This compares to a ROA of 0.80% and a ROE of 7.74% for 2016. Excluding the impact of the change in corporate tax rate the 2017 ROA would have been 0.75% (non-GAAP), while the ROE would have been 7.61% (non-GAAP).

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*Increase in Net Interest Income (NII)* – The Federal Reserve raised interest rates three times during 2017 resulting in improved NII for the Corporation. NII increased by \$4,891,000, or 19.3% in 2017, compared to 2016. The increase in NII was generated by an increase in total interest and dividend income of \$4,776,000, or 16.9%, and a decrease in interest expense of \$115,000, or 3.8%. The increase in interest income for 2017 occurred as a result of higher rates as well as growth in interest earning assets. In addition, there was accelerated amortization expense in the amount of \$1,681,000 recorded in 2016 with no similar amount in 2017.

*Increased Provision for Loan Losses* - Provision expense increased to \$940,000 for 2017, compared to \$325,000 for 2016, an increase of \$615,000, or 189.2%. Higher provision expense was necessary due to higher charge-offs in 2017 as well as increases in qualitative factors for a number of loan pools. The Corporation's allowance for loan losses stood at 1.38% of total loans as of December 31, 2017, an increase from 1.32% as of December 31, 2016.

*Decrease in Other Income* - Other income sources decreased by \$823,000, or 7.4% from 2016 to 2017, primarily as a result of a decrease in security gains from \$2,370,000 in 2016 to \$675,000 in 2017. Opportunities to sell securities at significant gains declined significantly during 2017 as a result of the higher interest rate environment. Gains on mortgages increased by \$203,000, or 13.4%, as a result of increased activity and higher margins. Excluding gains on securities and mortgages, other income increased \$669,000, or 9.2%, with all other components of other income reflecting higher revenue. The majority of these increases were the result of business expansion, causing a higher volume of fee income.

*Higher Operating Expenses* - The Corporation planned for and incurred a higher level of expenses in 2017 as a result of further expansion of the Corporation's branch network and higher personnel costs related to staff additions. Management opened three new branching facilities during 2016 bringing the total branch office count to thirteen (13). The Morgantown office was opened in July of 2016, quickly followed by the Strasburg loan production office and the Georgetown drive-thru/walk up office in September 2016. Management was also active in seeking new employees to better serve these new markets as well as operational positions to support the current and expected growth of the Bank. All of these new positions, added primarily in the second half of 2016, impacted 2017 as the first full year of expense. In addition, new positions were added in the fourth quarter of 2017 to staff the newly built full-service Strasburg branch office. As a result, total salaries increased from \$16,769,000 in 2016 to \$19,340,000 in 2017, an increase of \$2,571,000, or 15.3%. Other operational expenses of the Corporation also grew in 2017 with the additional branch locations and additional leased space for operations. As a result, total operating expenses for the Corporation increased by \$3,677,000, or 13.5%, over expenses incurred during 2016.

*Strong Capital* - The Corporation's equity capital was \$99,759,000 as of December 31, 2017, compared to \$94,939,000 as of December 31, 2016, an increase of \$4,820,000, or 5.2%. The Corporation's capital to assets ratio was 9.7% as of December 31, 2017, compared to 9.6% as of December 31, 2016. In terms of regulatory capital levels, tier I capital to risk-weighted assets and common equity tier I capital to risk-weighted assets were both 13.8%, while total capital to risk-weighted assets was 15.0% as of December 31, 2017. These levels remain significantly above regulatory guidelines.

*Growth in Assets* - The Corporation's total assets were \$1.03 billion as of December 31, 2017, an increase of \$49.4 million, or 5.0% from December 31, 2016. Total loans increased \$26.0 million, to a total of \$597.6 million, representing a 4.5% increase. Consumer real estate lending contributed the most to loan growth in 2017, with a \$36.3 million, or 16.6% increase. This increase included an increase of \$26.7 million, or 17.8% in 1-4 family residential

mortgages. The commercial loan segment of the portfolio increased modestly during 2017, while the agricultural loans decreased by \$14.5 million, or 7.8%, primarily as a result of increased competitive pressure and difficult economic conditions for dairy farmers.

*Very Strong Asset Quality* – Non-performing loans to total loans remained very low at 0.18% as of December 31, 2017, compared to 0.20% as of December 31, 2016.

*Strong Deposit Growth* - Total deposits increased to \$866.5 million as of December 31, 2017, from \$817.5 million at December 31, 2016, a \$49.0 million, or 6.0% increase. The Corporation's long history in Lancaster County and expanded branch network were instrumental in gaining new customer relationships in 2017.



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**COMPENSATION DISCUSSION AND ANALYSIS**

**Executive Compensation Objectives**

The Corporation's *Compensation Philosophy* is to offer competitive compensation opportunities to all employees based upon individual contribution and personal performance. The Corporation designs *Executive Compensation Packages* to attract and retain key management employees and to motivate these employees to take actions that enhance shareholder value and attain the Corporation's goals. The *Executive Compensation Policies* are intended to ensure that each executive has a stake in enhancing and promoting Corporation products and services, improving profitability, and providing increased shareholder value through growth of the Corporation's common stock and the payment of enhanced dividends.

**Compensation Committee Membership**

ENB Financial Corp's Compensation Committee is comprised of the following three (3) *Independent* members of the Board of Directors who serve on the Committee for a one (1) year renewable term.

Paul M. Zimmerman, Jr. (Chair)  
Mark C. Wagner  
Judith A. Weaver

**Compensation Committee Responsibilities and Process**

The Compensation Program is administered by the entire Board of Directors as recommended by the Compensation Committee. The Compensation Committee is responsible for establishing the Corporation's *Compensation Philosophy* and making compensation recommendations regarding the position of Chairman, President, and CEO. The Compensation Committee operates under a written charter, adopted by the Board of Directors, which is available on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Secretary of the Corporation. The Charter outlines the Committee's responsibilities including:

Establishing *Compensation Policies*;  
Determining *Base Salaries* and *Bonus* amounts;

- Annually approving (along with the entire Board of Directors) the Bank's *Compensation Policies*;
- Evaluating and determining the types of benefits appropriate to enhance the *Executive Compensation Program Objectives*;
- Retaining compensation consultants to assist in evaluation of compensation arrangements; and
- Approving target financial performance levels.

The Committee meets with the Vice President of Human Resources of the Corporation, who provides an analysis of the survey results (discussed below) and a workforce comparison. The Committee reviews survey projections of grade-range changes, average-wage increases, and specific job-related minimums, midpoints, and maximums paid by competing survey participants. The Committee also recommends methods of handling employee compensation that falls below or above the Corporation's grade ranges.

The Committee reviews guidelines for compensation, bonus, and other compensation perquisites for all Corporation employees. All employees, including executives, receive annual performance appraisals, reviewing goal attainment and overall job performance. The Chairman, President, and CEO, the Sr. VP, Chief Operating Officer, and the Sr. VP, Chief Risk Officer conduct the performance appraisals of the Bank Management Team Members.

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**The Role of the Shareholders' Say on Pay Vote**

At the 2016 Annual Meeting of Shareholders, the shareholders overwhelmingly voted in favor of approving the compensation of the Corporation's Named Executive Officers as presented in the Compensation Discussion and Analysis presented in the Corporation's proxy statement dated April 8, 2016. The Compensation Committee took the results of the vote into consideration in awarding compensation consistent with the policies and practices outlined in the Compensation Discussion and Analysis. The shareholders approved a proposal at the Corporation's 2013 Annual Meeting of Shareholders to conduct an advisory vote on the Corporation's executive compensation for the Named Executive Officers every three (3) years. Shareholders will be asked to vote in favor of approving the compensation of the Corporation's Named Executive Officers at the 2019 Annual Meeting.

**Chairman, President, and CEO Performance Review**

The Compensation Committee annually conducts a performance review of the Chairman, President, and CEO's job performance. As with all other positions within the organization, the Corporation uses a formal system of job evaluation for the Chairman, President, and CEO. The Compensation Committee provides a written CEO Performance Evaluation form to all *independent* members of the Board of Directors. Each member completes an Evaluation that covers each *Bank Strategic Plan Initiative, Goal Attainment, Management Decisions, General Corporate Operations, and Overall Corporate Performance*. Following receipt of the completed evaluations, an overall rating is calculated. The results and any recommendation for a compensation change are discussed with the remaining *independent* members of the Board of Directors who make a decision regarding a compensation change. Many items play a role in determining the level of annual compensation for the Chairman, President, and CEO, including:

The Chairman, President, and CEO's performance;  
General Salary Survey data from the Corporation's Peer Group; and  
General Corporate performance.

In determining whether the *Base Salary* of the Chairman, President, and CEO should be adjusted, the Board of Directors takes into account non-quantitative individual performance and quantitative performance factors of the Corporation, plus information regarding the range compensation paid to Executives performing similar duties for financial institutions in the Corporation's market area.

While the Compensation Committee does not use predetermined numerical formulas to determine changes in compensation for the Chairman, President, and CEO, it weighs a variety of different performance factors in its deliberations. The Compensation Committee has emphasized, and will continue to emphasize, the Corporation's *Profitability, Capital Position and Income Level, and Return on Tangible Equity*, as well as the individual's *Leadership and Managerial Qualities, Personal Qualities, Judgment, Knowledge and Skills, Board Relations, Bank Staff*

*Relations, Community Relations, and Political Effectiveness*, as factors in setting the compensation for the position of Chairman, President, and CEO. The Compensation Committee also considers the amount which has been previously paid to the Chairman, President, and CEO.

The Compensation Committee's recommendations are presented to the entire Board of Directors and the proposals are approved and ratified or sent back to the committee for additional review and re-presentation at a later date. The Chairman, President, and CEO does not participate in, and is not present, for these discussions. Only independent (non-employee) Board members participate in this discussion.

### **The Role of Executive Officers in Determining Compensation**

The Compensation Committee meets with the Vice President of Human Resources of the Corporation who provides the Committee with the information necessary for their analysis of the appropriate compensation for the executive officers. Mr. Groff participated during Board decisions regarding the compensation of employees and other executive officers. He did not, however, participate and was not present when his performance and compensation was discussed.

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**Elements of the Executive Compensation Program**

The Corporation's *Executive Compensation Package* includes *Base Salary, Bonuses, Insurance, Retirement Plans, Stock Purchase Plans*, and in certain instances, a *Company-provided Car*, and *Director Fees*.

The Corporation is managed by a twelve-member management team which includes the President and CEO and the named executive officers. The management team oversees the various functional units within the Corporation and reports to the President and CEO, the Sr. VP, Chief Operating Officer, or the Sr. VP, Chief Risk Officer.

At year-end 2017, three (3) of the management team members, all executive officers, have greater than 25 years of service and three (3) management team members, including three (3) named executive officers, have greater than 15 years of service at the Corporation. The remaining management team members, including one (1) named executive officer, have less service at the Corporation, but bring experience from other financial institutions.

Of the twelve (12) total management team members at the end of 2017, all but five (5) of the members received promotions into their present management-level positions. The promoted members continue to receive benefits similar to all other Corporation employees. The current philosophy of the Corporation is that promotions to executive or management status do not result in additional compensation or benefits beyond a *Base Salary* increase. *Base Salary* has been executives' and managements' major form of compensation for increased responsibilities. This internal movement has allowed the Corporation to retain quality executives and managers without having to provide additional perquisites other than larger *Base Salaries*. However, the necessity of perquisites continues to be evaluated and considered as part of the larger succession-planning endeavor.

**Base Salaries**

*Base Salaries* are a major component of executive and management compensation and are reviewed every year to determine if a change is appropriate. The Corporation participates in various salary surveys each year and makes adjustments to *Base Salaries* supported by:

- General survey comparisons;
- The Corporation's performance;
- The Individual's performance;
- The Individual's level of responsibility; and
- The position responsibilities.

## **Compensation and Benefits Survey/Benchmarking**

Neither the Compensation Committee nor management engaged a compensation consultant in 2017. The following *Compensation and Benefit Surveys* are used to determine general broad-based market values of positions and other trends in executive compensation:

Webber Survey <sup>(1)</sup> provides direct banking comparisons in the form of general compensation ranges to both local and regional banks in Pennsylvania, plus comparisons by asset size which is provided in salary ranges. The results are reviewed, analyzed, and compared to internal pay and benefits for equity and competitiveness.

Compdata Banking and Finance Survey <sup>(2)</sup> provides a broader perspective on market trends by including local, regional, and national banks. This survey provides data by geographical locations, including National, U.S. Regional (Mid-Atlantic), State, and Local Regional (Central PA). In some cases, a city or county comparison is also included where sufficient employee positions are surveyed.

Various other surveys <sup>(3)</sup> are used to identify more local compensation trends. These include local chamber of commerce surveys, independent banking surveys between local banks (often very job-specific) and local human resource group surveys. Participation in these surveys varies from year to year because not every group surveys annually. The surveys do not disclose specific salaries at other institutions, but provide salary ranges based upon asset size and location.

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The following regional survey participants were used for executive compensation planning purposes: AgChoice Farm Credit (Cumberland, PA), Bank of Bird-in-Hand (Bird-in-Hand, PA), Centric Bank (Harrisburg, PA), Citizens and Northern Bank (Wellsboro, PA), Citizens Savings Bank (Clarks Summit, PA), Clearfield Bank & Trust Company (Clearfield, PA), Columbia Bank (Fair Lawn, NJ), Commercial Bank & Trust of PA (Latrobe, PA), Community State Bank of Orbisonia (Orbisonia, PA), Elderton State Bank (Elderton, PA), Ephrata National Bank (Ephrata, PA), ESSA Bank & Trust (Stroudsburg, PA), F&M Trust Company (Chambersburg, PA), Farmers National Bank (Emlenton, PA), First Citizens Community Bank (Mansfield, PA), First Columbia Bank & Trust Co. (Bloomsburg, PA), First Keystone Community Bank (Berwick, PA), First National Community Bank (Dunmore, PA), First United Bank & Trust (Oakland, MD), 1st Summit Bank (Johnstown, PA), Honesdale National Bank (Honesdale, PA), Jonestown Bank & Trust (Jonestown, PA), Juniata Valley Bank (Mifflintown, PA), Marion Center Bank (Indiana, PA), Mauch Chunk Trust Company (Jim Thorpe, PA), MCS Bank (Lewistown, PA), Mercer County State Bank (Sandy Lake, PA), Merchants Bank of Bangor (Bangor, PA), Mifflinburg Bank & Trust Company (Mifflinburg, PA), NexTier Bank (Butler, PA), PennCrest BANK (Altoona, PA), Pennian Bank (Mifflintown, PA), Peoples Security Bank & Trust Company (Scranton, PA), Peoples State Bank of Wyalusing (Wyalusing, PA), QNB Bank (Quakertown, PA), Reliance Bank (Altoona, PA), Slovenian Savings & Loan Association (Conemaugh, PA), Somerset Trust Company (Somerset, PA), Standard Bank (Monroeville, PA), The Bank of Landisburg (Landisburg, PA), The Muncy Bank and Trust Company (Muncy, PA), The Northumberland National Bank (Northumberland, PA), Uninvest Corporation of Pennsylvania (Souderton, PA), Washington Financial Bank (Washington, PA), West Milton State Bank (West Milton, PA). The percentage of commercial banks participating in the survey was 80 %, with savings institutions and Credit Unions accounting for the remaining 20% of participants.

Individual participant names are not provided with this survey. Percentage of commercial banks participating in the (2)survey was 36.7%, credit unions accounted for 31.2% with the remainder in consumer finance and mortgages (17.4%), investment companies (4.6%), and other (10.1%).

(3) Individual participant names are not provided with these surveys.

The Compensation Committee uses the surveys to determine if the Named Executive Officers are being compensated in the correct range of salaries.

In comparing the *Base Salary* of the named executive officers to the average of the 2017 salary surveys, the *Base Salaries* fell as follows:

Aaron L. Groff, Jr. – Chairman, President, and CEO

2016 *Base Salary* fell between the minimum and the midpoint, or 45.96% place in range. Following the Compensation Committee's analysis, a 2017 increase of 8.00% was recommended to adjust the President and CEO's *Base Salary* to 54.68% place in range of the survey data. Comparing to total compensation paid (Base + Bonus + Incentive + Tax Comp), Total 2017 Compensation paid to the President and CEO fell at 41.50% of 45 surveyed institutions.

Scott E. Lied – Treasurer of ENB Financial Corp and Senior Vice President and Chief Financial Officer

2016 *Base Salary* fell at 79.81% of the survey midpoint. Following the President's performance evaluation, a 2017 increase of 20% was recommended to adjust the Sr. VP, Chief Financial Officer's *Base Salary* to 94.96% of the survey midpoint.

Barry E. Miller – Senior Vice President, Chief Operating Officer

2016 *Base Salary* fell at 78.92% of the survey midpoint. Following the President's performance evaluation, a 2017 increase of 20% was recommended to adjust the Sr. VP, Chief Operating Officer's *Base Salary* to 94.96% of the survey midpoint.



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Barry W. Harting – Senior Vice President, Chief Risk Officer

2016 *Base Salary* fell at 77.10% of the survey midpoint. Following the President's performance evaluation, a 22% increase was recommended to adjust the Sr VP, Chief Risk Officer's *Base Salary* to 94.96% of the survey midpoint.

As described above, executive pay at the Corporation consists mainly of *Base Salaries*, with few to no other perquisites. In preparation for the future executive officer retirements, it was determined that *Base Salaries* to these replacements would likely be higher and preparation for the future increased expense should begin now with the current executive staff.

**Bonuses**

An *Annual Employee Holiday Bonus* is paid to all employees before year-end based on "*total worked*" compensation. Executives receive the same bonus percentage as all other employees. A larger dollar amount of an executive's bonus is attributable to their higher annual compensation.

An *Annual Performance Bonus* while normally considered in February of each year was included along with the Holiday Bonus in November. Executives receive the same percentage for the Annual Performance Bonus as all other employees. There was no 2016 Performance Bonus paid in 2017. The Corporation determines if general corporate income and growth goals have been met or surpassed in the prior year and determines if a *Performance Bonus* will be paid to employees. The Corporation does not provide a formalized *Executive Bonus Plan* as a perquisite.

**Insurance**

**Health, Life, and Disability Insurance**

As is standard in the industry, all employees receive various types of insurance based on *Standard Hours Worked per Week*. Executives receive insurance benefits similar to other full-time employees. Executives do not receive any insurance perquisites based upon their position. Insurance coverage for employees working thirty (30) or more standard hours per week includes:

Health Insurance  
Disability Insurance

- Life Insurance in the amount of five (5) times an employee's annualized salary to a maximum of \$400,000

Health, Life, and Disability Insurance are not tied to Corporate or individual performance. The expense of providing such benefits to all employees is not taken into account when determining specific salaries of the named executive officers, and is seen as a cost of doing business.

**Bank Owned Life Insurance (BOLI)**

In 2006, 2007, 2012, 2015, and 2017, all Vice Presidents and members of Senior Management were invited to participate in the Corporation's purchase of Bank Owned Life Insurance (*BOLI*). *BOLI* is typical in the financial services industry as an investment vehicle for the Corporation that allows greater employee benefits to be offered at a lower cost, and encourages employment longevity. In addition to being considered an investment vehicle for the Corporation, *BOLI* also provides life insurance coverage to the Corporation and for the employee. The life insurance coverage is placed on the lives of the employees who agreed to participate, and the Corporation receives the death payment benefit when the employee dies. To reward their participation in *BOLI*, the Corporation purchases additional life insurance coverage for each participant at one (1) times their annualized salary. All Vice Presidents and members of Senior Management, including the named executive officers, chose to participate in *BOLI*, and the cost of the additional life insurance coverage for the named executive officers is included in the OTHER COMPENSATION TABLE on page 25.

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**Retirement Plans**

The Corporation considers it important to assist employees in saving for retirement and retirement plans encourage employees to remain in the employment of the Corporation. In order to have a diversified retirement program for employees and to encourage participation, the Corporation has established two (2) types of retirement plans for its employees; a *Defined Contribution Profit Sharing Plan* and a *401(k) Savings Plan*. A description of these retirement plans can be found on page 26.

**Stock Option and Stock Award Programs**

Currently the Corporation does not have a *Stock Option* or *Stock Award Program*. Our current compensation model maintains *Base Salary* and *Annual Bonuses* as the major components of compensation.

**Severance Plan**

The Corporation has a *Severance Plan* that is available to employees based on the circumstances of their release and with the approval of the Board of Directors. The *Severance Plan* could be available for any employee being released from employment for reasons other than willful misconduct or general performance issues, but such payment is solely at the discretion of the Board of Directors depending upon the individual circumstances.

**Executive Contracts and Change of Control Agreements**

No Employment, Change of Control, or other contracts exist between ENB Financial Corp or Ephrata National Bank and any of its executive officers.

**Other Forms of Compensation (Perquisites)**

**Company Car for Chairman, President, and CEO**

Given his position and the amount of time he spends on Corporate and Bank business outside the office, a company car is provided for one executive – the Chairman, President, and CEO – for personal and business purposes. Personal use of the car is taxable, based on standard IRS lease value tables, and is included in the OTHER COMPENSATION TABLE on page 25.

### **Director Fees**

In 2017, one executive named below, received Director Fees for the work he performed through his participation on the Corporation's Board of Directors. The Director Fees he received were included in the OTHER COMPENSATION TABLE on page 25.

- Aaron L. Groff, Jr. (Chairman, President, and CEO of ENB Financial Corp and Ephrata National Bank)

### **Other Forms of Compensation (Non-Perquisites)**

#### **Employee Stock Purchase Plan - Discount Earnings**

The Corporation believes that exceptional performance is achieved through an ownership culture that encourages employees to become shareholders of the Corporation. In an effort to align the interests of the Corporation's employees with the interests of its shareholders, the Corporation offers an *Employee Stock Purchase Plan (ESPP)* to all eligible employees. Eligible employees are those who have been employed five (5) months or longer and whose *Standard Hours per Week* are twenty (20) or greater. Employees, including named executive officers, participating in the *ESPP* receive a 10% discount off the quarter-end fair market value of the Corporation's common stock.

*ESPP Discount Earnings* for named executive officers are included in the OTHER COMPENSATION TABLE on page 25, and a description of the *ESPP* begins on page 30.

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**Service Awards**

*Service Awards* are available to all employees who are regular full-time and regular part-time employees and are based upon the length of service. There is no differentiation for *Service Awards* between named executive officers and other employees. Employees receive awards beginning at five (5) years of employment and continuing in five-year increments thereafter. The awards vary from a \$75 Gift Card for five (5) years of service to cash awards that begin at the ten-year anniversary and continue, in increasing amounts, after the completion of each additional five (5) years of service. *Service Awards* are offered to provide an incentive to remain in the employment of the Corporation.

*Service Awards* for named executive officers are included in the OTHER COMPENSATION TABLE on page 25.

**Short-Term and Long-Term Incentive Plans**

The Corporation continues to use *Base Salary* and *Bonuses* as the core components of executive compensation because it provides the executive with solid compensation that is not tied to market fluctuations. Therefore, throughout 2017, there were no *Short-Term* or *Long-Term Incentive Plans* in place, and no executive officer received any *Short-Term* or *Long-Term Incentives* through an earlier *Incentive Plan*.

**Differences in Compensation Awarded to Named Executive Officers**

All executive officers receive similar compensation. Any difference in the amount of compensation is based upon position, performance levels, and length of service with the Corporation. There are no incentives awarded to executive officers.

**Impact of Tax and Accounting Treatment**

There were no adjustments to compensation based upon tax or accounting treatments.

**Hedging and Pledging**

Employees who own shares outright are permitted to hedge or pledge shares, subject to the Corporation's Insider Trading Policy Statement that restricts certain transactions prior to the release of certain nonpublic information.

### **Stock Ownership Guidelines**

At this time, the Corporation does not require its named executive officers to own a certain number of shares of Corporation stock; however, it does encourage ownership of Corporation stock through its Employee Stock Purchase Plan.

### **Executive Compensation**

The Board of Directors conducted a risk assessment of the Corporation's compensation program and concluded that the program is balanced, does not motivate imprudent risk taking, and is not reasonably likely to have a material adverse effect on the Corporation.

The information in the following table concerns the annual compensation for services in all capacities to ENB Financial Corp and Ephrata National Bank for the fiscal year ended December 31, 2017, of those persons who were, at December 31, 2017, (i) the Chief Executive Officer, (ii) the Chief Financial Officer, and (iii) the other two most highly compensated executive officers of the Corporation and the Bank, to the extent such person's total compensation exceeded \$100,000.

Table of Contents**Frequency of Shareholder Advisory Vote on Executive Compensation**

The shareholders approved a proposal at the Corporation's 2013 Annual Meeting of Shareholders to conduct an advisory vote on the Corporation's executive compensation for the named executive officers every three years. The next shareholder advisory vote on executive compensation will take place at the 2019 Annual Meeting of Shareholders. The next shareholder advisory vote on the frequency by which shareholders will vote on executive compensation will take place at the 2019 Annual Meeting of Shareholders.

**SUMMARY COMPENSATION TABLE**

<b><u>Name and Principal Position</u></b>	<b><u>Year</u></b>	<b><u>Salary</u></b>	<b><u>Bonus</u></b>	<b><u>All Other Compensation</u></b>	<b><u>Total Compensation</u></b>
		(\$) <sup>(1)</sup>	(\$) <sup>(2)</sup>	(\$) <sup>(3)</sup>	(\$) <sup>(4)</sup>
<b>Aaron L. Groff, Jr.</b>	<b>2017</b>	<b>315,539</b>	<b>6,238</b>	<b>59,494</b>	<b>381,271</b>
Chairman of the Board,	2016	292,165	9,102	58,366	359,633
President and CEO	2015	278,242	5,565	60,943	344,750
<b>Scott E. Lied</b>	<b>2017</b>	<b>176,707</b>	<b>3,534</b>	<b>16,117</b>	<b>196,358</b>
Senior Vice President,	2016	147,348	4,590	14,260	166,198
Chief Financial Officer	2015	142,002	2,840	14,125	158,967
<b>Barry E. Miller</b>	<b>2017</b>	<b>191,605</b>	<b>3,832</b>	<b>15,050</b>	<b>210,487</b>
Senior Vice President,	2016	159,255	4,961	13,584	177,800
Chief Operating Officer	2015	153,130	3,063	14,692	170,885
<b>Barry W. Harting</b>	<b>2017</b>	<b>174,969</b>	<b>3,499</b>	<b>15,227</b>	<b>193,695</b>
Senior Vice President	2016	143,499	4,457	13,331	161,287
Chief Risk Officer	2015	130,462	2,509	12,043	145,014

**Summary Compensation Table Key**

(1) Base Salary.

(2)

An Annual Employee Holiday Bonus is paid to all employees before year-end based on “*total worked*” compensation. Executive officers receive the same bonus percentages as all other employees; the larger dollar amount of an executive officer’s bonus is attributable to their higher annual compensation. There was a 1% (of base earnings) Corporate Performance Bonus paid in 2016 which was added to the Holiday Bonus.

All Other Compensation includes *Total Other Earnings* in the *OTHER COMPENSATION TABLE* on page 25, *5% Pension Contributions, (3)* on the *DEFINED CONTRIBUTION PENSION PLAN TABLE* on page 27, and *Total Profit Sharing Contributions, (1)*, on the *DEFINED CONTRIBUTION PROFIT SHARING PLAN TABLE* on page 28.

(4)

Total of (1) through (3).



Table of Contents**OTHER COMPENSATION TABLE <sup>(1)</sup>**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Company Auto</b>	<b>Service Awards</b>	<b>Group</b>	<b>BOLI</b>	<b>Inside Director's Fees</b>	<b>401(k) Corporate Match</b>	<b>10% Discount ESPP Shares</b>	<b>Total Other Earnings</b>
				<b>Life Insurance Premiums</b>	<b>Extra Life Premiums</b>				
		<b>(\$)<sup>(2)</sup></b>	<b>(\$)<sup>(3)</sup></b>	<b>(\$)<sup>(4)</sup></b>	<b>(\$)<sup>(5)</sup></b>	<b>(\$)<sup>(6)</sup></b>	<b>(\$)<sup>(7)</sup></b>	<b>(\$)<sup>(8)</sup></b>	<b>(\$)<sup>(9)</sup></b>
<b>Aaron L. Groff, Jr.</b>	<b>2017</b>	<b>8,182</b>	<b>3,500</b>	<b>468</b>	<b>911</b>	<b>22,800</b>	<b>7,651</b>	<b>386</b>	<b>43,898</b>
Chairman of the Board,	2016	7,979	0	720	1,044	26,200	7,251	497	43,691
President and CEO	2015	7,497	0	720	1,044	21,800	6,853	252	38,166
<b>Scott E. Lied</b>	<b>2017</b>	<b>0</b>	<b>0</b>	<b>720</b>	<b>789</b>	<b>0</b>	<b>4,506</b>	<b>1,267</b>	<b>7,282</b>
Senior Vice President,	2016	0	0	720	556	0	3,940	1,164	6,380
Chief Financial Officer	2015	0	0	720	556	0	3,621	571	5,468
<b>Barry E. Miller</b>	<b>2017</b>	<b>0</b>	<b>0</b>	<b>720</b>	<b>552</b>	<b>0</b>	<b>3,132</b>	<b>1,066</b>	<b>5,470</b>
Senior Vice President,	2016	0	0	720	294	0	3,522	531	5,067
Chief Operating Officer	2015	0	0	720	294	0	3,530	176	4,720
<b>Barry W. Harting</b>	<b>2017</b>	<b>0</b>	<b>0</b>	<b>720</b>	<b>695</b>	<b>0</b>	<b>4,462</b>	<b>602</b>	<b>6,479</b>
Senior Vice President	2016	0	0	720	695	0	3,825	441	5,681
Chief Risk Officer	2015	0	0	720	695	0	3,199	379	4,993

**Other Compensation Table Key**

Other Compensation excluding Defined Contribution Pension Plan contributions and Defined Contribution Profit

(1) Sharing Plan contributions. See *DEFINED CONTRIBUTION PENSION PLAN TABLE* on page 27 and the *DEFINED CONTRIBUTION PROFIT SHARING PLAN TABLE* on page 28.

(2) Personal-use expense for company-provided automobile – a perquisite.

(3) Service Awards given to all employees every five (5) years.

(4) Group Life Insurance Premium. Full-time employees receive life insurance coverage at 5 times their annualized salary to \$400,000 maximum. Life insurance rates remained unchanged from 2015 through 2017.

(5) Additional life insurance is provided as incentive to participate in Bank Owned Life Insurance (BOLI), and all Vice Presidents and Senior Vice Presidents were asked to participate in BOLI and all participated.

(6) Inside Director's fees paid.

(7) 401(k) Savings Plan Corporate Match Dollars. See *401(k) SAVINGS PLAN - MATCH DATA TABLE* on page 29.

(8) All participating employees receive 10% discount on stock purchased through the Employee Stock Purchase Plan.

(9) Total of (2) through (8).

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**RETIREMENT PLANS**

**Defined Contribution Profit Sharing Plan**

The Corporation established a *Defined Contribution Profit Sharing Plan* on January 1, 2016 which became part of the 401k Plan beginning on January 1, 2016. Effective January 1, 2016, the Defined Contribution Pension Plan was terminated and rolled-over into the Profit Sharing Plan and was combined with the 401(k) Savings Plan.

The *Defined Contribution Profit Sharing Plan* is administered by the Money Management Group of Ephrata National Bank.

The Corporation makes annual contributions to eligible employee's Profit Sharing accounts as follows:

A non-elective 3% contribution is provided to all employees employed at the Bank during 2017 who worked at least 90 days. This contribution is commonly referred to as the "Safe Harbor Contribution."

A 2% elective contribution is provided to all employees who are *aged 18* or older who work 1,000 or more hours in a calendar year and have completed at least one year of service.

For purposes of the *Defined Contribution Profit Sharing Plan*, eligible compensation was limited to \$270,000 in 2017. Total contributions to the *Defined Contribution Profit Sharing Plan* for the plan year ended December 31, 2017 and 2016 were \$704,316 and \$604,178, respectively, and contributions to the Defined Contribution Pension Plan in 2015 was \$491,603.

In 2017, the Corporation contributed the following amounts to the *Defined Contribution Profit Sharing Plan* on behalf of the named executive officers: Aaron L. Groff, Jr., Chairman of the Board, President and Chief Executive Officer, \$15,596; Scott E. Lied, Senior Vice President and Chief Financial Officer, \$8,835; Barry E. Miller, Senior Vice President, Chief Operating Officer, \$9,580; and Barry W. Harting, Senior Vice President, Chief Risk Officer, \$8,748.

Larger contributions to the *Defined Contribution Profit Sharing Plan* for named executive officers are attributable to their higher *Base Salaries*. *Defined Contribution Profit Sharing Plan* contributions for named executive officers are

included in the DEFINED CONTRIBUTION PROFIT SHARING PLAN TABLE on page 28 and in *All Other Compensation* on the SUMMARY COMPENSATION TABLE on page 24.

The Bank continues to manage and invest funds in the Profit Sharing Plan.

#### **401(k) Savings Plan**

The *ENB 401(k) Savings Plan* was introduced in 2001 as a method to allow employees to save additional funds for retirement above the pension previously offered through the Corporation's *Defined Contribution Pension Plan*. Initially, the Corporation did not provide a match of any employee contributions to the *401(k) Savings Plan*. In 2010, the *401(k) Savings Plan* was amended to allow all employees to participate and to provide a match of 50% of employee's contributions up to 5.0% of eligible compensation. The Corporation does not match contributions over 5.0% of eligible compensation. The Corporation began matching contributions for *401(k) Savings Plan* participants to encourage its employees to save for their retirement. Since the Corporation began matching *401(k) Savings Plan* contributions, participation rates in the *Plan* increased from approximately 40% in 2009 to nearly 88% in 2017.

Table of Contents**DEFINED CONTRIBUTION PENSION PLAN TABLE****Terminated January 1, 2016**

<b><u>Name and Principal Position</u></b>	<b><u>1-Jan Plan Pension Year Value</u></b> (\$) <sup>(1)</sup>	<b><u>Plan Pension Forfeitures</u></b> (\$) <sup>(2)</sup>	<b><u>5.00% Pension Contribution</u></b> (\$) <sup>(3)</sup>	<b><u>Pension Investment Earnings</u></b> (\$) <sup>(4)</sup>	<b><u>Total \$ Change in Pension</u></b> (\$) <sup>(5)</sup>	<b><u>31-Dec Pension Plan Value</u></b> (\$) <sup>(6)</sup>
<b>Aaron L. Groff, Jr.</b> Chairman of the Board, President and CEO	2015 1,211,416	0	22,777	10,522	33,299	1,244,715
<b>Scott E. Lied</b> Senior Vice President, Chief Financial Officer	2015 165,137	0	8,657	1,458	10,115	175,252
<b>Barry E. Miller</b> Senior Vice President, Chief Operating Officer	2015 8,974	0	9,972	120	10,092	19,066
<b>Barry W. Harting</b> Senior Vice President Chief Risk Officer	2015 214,475	0	7,050	1,876	8,926	223,401

**Pension Plan Table Key**

- (1) Plan Value at beginning of Plan Year.
- (2) Forfeitures – Non-Vested Employee Funds Returned to Plan upon Termination.
- (3) 5.0% Contribution of Eligible Earnings, including earnings over the Social Security wage base.
- (4) Investment Earnings from Plan Year.
- (5) Total Change in Pension \$ from beginning of the Plan Year – Total of (2) through (4) above.
- (6) Year Ending Pension Plan Balance – Total of (1) and (5).

Table of Contents**DEFINED CONTRIBUTION PROFIT SHARING PLAN TABLE**

<b>Name and Principal Position</b>	<b>Plan Year</b>	<b>3.00%</b>	<b>2.00%</b>	<b>Total Profit Sharing Contribution (\$)<sup>(1)</sup></b>
		<b>Profit Sharing Non-elective Contribution (\$)</b>	<b>Profit Sharing Elective Contribution (\$)</b>	
<b>Aaron L. Groff, Jr.</b> Chairman of the Board, President and CEO	<b>2017</b> 2016	<b>9,358</b> 9,375	<b>6,238</b> 5,300	<b>15,596</b> 14,675
<b>Scott E. Lied</b> Senior Vice President, Chief Financial Officer	<b>2017</b> 2016	<b>5,301</b> 4,728	<b>3,534</b> 3,152	<b>8,835</b> 7,880
<b>Barry E. Miller</b> Senior Vice President, Chief Operating Officer	<b>2017</b> 2016	<b>5,748</b> 5,110	<b>3,832</b> 3,407	<b>9,580</b> 8,517
<b>Barry W. Harting</b> Senior Vice President Chief Risk Officer	<b>2017</b> 2016	<b>5,249</b> 4,590	<b>3,499</b> 3,060	<b>8,748</b> 7,650

**Profit Sharing Plan Table Key**

(1) Total Profit Sharing Contribution during 2017 and 2016. This amount is included in OTHER COMPENSATION in the SUMMARY COMPENSATION TABLE on page 24.

Table of Contents**401(k) SAVINGS PLAN – MATCH DATA TABLE**

<b>Name and</b>	<b>Plan</b>	<b>Plan Corporate</b>
<b><u>Principal Position</u></b>	<b><u>Name</u></b>	<b><u>Year Match</u></b>
		<b>\$<sup>(1)</sup></b>
<b>Aaron L. Groff, Jr.</b> Chairman of the Board, President and CEO	ENB 401(k) Savings Plan	<b>2017 7,651</b> 2016 7,251 2015 6,853
<b>Scott E. Lied</b> Senior Vice President, Chief Financial Officer	ENB 401(k) Savings Plan	<b>2017 4,506</b> 2016 3,940 2015 3,621
<b>Barry E. Miller</b> Senior Vice President, Chief Operating Officer	ENB 401(k) Savings Plan	<b>2017 3,132</b> 2016 3,522 2015 3,530
<b>Barry W. Harting</b> Senior Vice President Chief Risk Officer	ENB 401(k) Savings Plan	<b>2017 4,462</b> 2016 3,825 2015 3,199

**401(k) Savings Plan Table Key**

(1) Total Corporate Match during 2017, 2016 and 2015. This amount is included on the OTHER COMPENSATION TABLE on page 25.

**CEO Pay Ratio Disclosure**

The SEC requires us to disclose the annual total compensation of Mr. Groff and our median employee, as well as the ratio of their respective annual total compensation to each other. We are providing the following information for the year ended December 31, 2017:

The median employee's annual compensation - \$48,636

The CEO's annual compensation - \$351,043

The ratio of the CEO's annual compensation to our median employee's annual compensation - 7:1.

The CEO's compensation is 7 times that of the median of the annual total compensation of all employees.

We completed the following steps to identify the median of the annual total compensation of all our employees. The Corporation chose December 31, 2017 as the date for identifying the median employee. We considered our entire employee population consisting of full-time, part-time, and temporary employees employed on that date. To find the median of the annual total compensation of our employees, the Corporation used wages from our payroll records, excluding the CEO's wages. We annualized compensation for full-time and part-time employees who were employed on December 31, 2017, but who did not work the entire year. No full-time equivalent adjustments were made for part-time employees. We calculated total annual compensation in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K. We did not include personal benefits that aggregate less than \$10,000 and compensation under non-discriminatory benefit plans in calculating the annual total compensation; however, we did use matching contributions and profit sharing contributions from the Bank's 401(k)

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and insurance premiums. We did not rely on any material assumptions, adjustments, or estimates to identify our median employee or determine annual total compensation.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

In the event of death or disability of a named executive officer, the named executive officer will receive benefits under the Corporation's retirement plan, disability plan, or payments under the Corporation's life insurance plans, as appropriate.

In addition, for the calendar year ending December 31, 2017, and in the event of the death of the named executive officer on December 31, 2017, the beneficiaries of the named executive officer would receive life insurance proceeds associated with two life insurance plans. The first is a non-discriminatory group term life insurance plan that is available to all qualifying employees of the Corporation. The second is a BOLI plan applicable to a select group of the Corporation's officers. The following are the life insurance benefits the beneficiary of the named executive officer would receive: Aaron L. Groff, Jr.'s beneficiary would receive \$425,100; Scott E. Lied's beneficiary would receive \$543,000; Barry E. Miller's beneficiary would receive \$500,000, and Barry W. Harting's beneficiary would receive \$526,000.

**EMPLOYEE STOCK PURCHASE PLAN**

The Corporation established *The ENB Financial Corp 2011 Employee Stock Purchase Plan* ("2011 ESPP") as the successor to the *ENB Financial Corp 2001 Stock Purchase Plan*, originally adopted by Ephrata National Bank and assumed by the Corporation upon the formation of the holding company in 2008. The 2011 ESPP authorized the issuance of up to 140,000 shares of the Corporation's Common Stock to its employees and 53,439 shares had been issued under the 2011 ESPP as of December 31, 2017.

The *ESPP* has semi-annual offering periods and quarterly purchase dates. Each eligible employee participating in an offering period is granted an option to purchase a number of shares on each purchase date. The number of shares is determined by dividing the employee's contributions accumulated prior to the purchase date and retained in the account by the applicable purchase price. The purchase price may not be less than 90% of the fair market value per share of Common Stock on the date of the grant or exercise.

**DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN**



The Corporation has established *The ENB Financial Corp Dividend Reinvestment and Stock Purchase Plan* (“DRP”). The purpose of the DRP is to provide shareholders with a convenient and economical way to buy additional shares of the Corporation’s Common Stock by reinvesting dividends or by voluntarily making cash payments under the terms of the DRP. Under the terms of the DRP, the Corporation is authorized to issue up to 200,000 shares of its Common Stock. As of December 31, 2017, there were a total of 148,391 shares held in the DRP and 91,437 shares had been issued in the form of reinvested dividends.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the *Compensation Discussion and Analysis* with management and, based on its review and discussions, the Compensation Committee recommended to the Board of Directors that the *Compensation Discussion and Analysis* be included in the Corporation’s 2018 Proxy Statement.

### **Compensation Committee**

Paul M. Zimmerman, Jr. (Chair)

Mark C. Wagner

Judith A. Weaver

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Corporation's entire Board of Directors, through the Compensation Committee, is responsible for establishing, implementing, and monitoring compensation policies. Mr. Groff who was a member of the Board in 2017, also served as an Executive Officer of the Corporation. While Mr. Groff participated during 2017 in Board decisions regarding the compensation of employees and subordinate Executive Officers, he did not participate in any Board decision regarding his own compensation and was excused from the Board meeting at which his respective compensation was discussed.

No interlocking relationship exists between the Board or Compensation Committee and the board of directors or compensation committee of any other company.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is comprised of three (3) *Independent* directors as defined by the SEC and Nasdaq. The Audit Committee operates under a written charter adopted by the Board of Directors and is available to shareholders on the Corporation's website at [www.enbfc.com/committee\\_charters.asp](http://www.enbfc.com/committee_charters.asp) or by contacting Barry W. Harting, Corporate Secretary of the Corporation.

The Audit Committee has reviewed the audited financial statements of the Corporation for the fiscal year ended December 31, 2017, and discussed them with management and the Corporation's independent accountants, S.R. Snodgrass, P.C. The Audit Committee also has discussed with the independent accountants the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 16 (Communications with Audit Committees).

The Audit Committee has received from the independent accountants the written disclosures and letter from the independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committee concerning independence, and the Audit Committee has discussed the accountants' independence from the Corporation and management with the accountants.

Based on the review and discussions described above, the Audit Committee recommended to the Board of Directors that the Corporation's audited financial statements for the fiscal year ended December 31, 2017, be included in the Corporation's Annual Report on Form 10-K for that fiscal year and filed with the Securities and Exchange

Commission.

The Audit Committee has approved and appointed S.R. Snodgrass, P.C. as the Corporation's auditors for the fiscal year ended December 31, 2017 and as the Corporation's auditors for the fiscal year ending December 31, 2018. S.R. Snodgrass, P.C. has advised the Corporation that none of its members has any financial interests in the Corporation.

Representatives of S.R. Snodgrass, P.C. will be present at the Annual Meeting of Shareholders to be held May 8, 2018. They will be given an opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate questions.

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Aggregate fees billed to ENB Financial Corp and Ephrata National Bank by S.R. Snodgrass, P.C., the current independent auditors for the Corporation, for services rendered during the last two years are presented as follows:

	Year Ended	
	December 31,	
	2017	2016
	(\$)	(\$)
Audit Fees <sup>(1)</sup>	105,218	100,754
Audit-Related Fees <sup>(2)</sup>	8,784	22,965
Tax Fees <sup>(3)</sup>	16,950	14,900
Total Fees	130,952	138,619

(1) Audit Fees include fees billed for professional services rendered for the audit of the annual financial statements, fees billed for the review of financial statements included in ENB Financial Corp's Form 10-Q filings or services that are provided by the Corporation's independent accountant, in connection with statutory and regulatory filings or engagements. S.R. Snodgrass, P.C. performed all annual financial statement audit services for 2017 and 2016.

(2) Audit-Related Fees include fees billed for assurance and related services by S.R. Snodgrass, P.C. that are reasonably related to the performance of the audit or review of the registrant's financial statements and are not reported under the *Audit Fees* section of the table above. These services include required annual audits of the *ENB Financial Corp Defined Contribution Profit Sharing Plan* and the *ENB Financial Corp 401(k) Savings Plan*.

(3) Tax Fees include fees billed for professional services rendered by S.R. Snodgrass, P.C., during 2017 and 2016, for tax compliance, tax advice, tax planning, and preparation of corporate tax returns.

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services, and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditors. Under the policy, pre-approval is generally provided for up to one (1) year and any pre-approval is detailed as to the particular service or category of services being approved and is subject to a specific budget. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. For each proposed service, the independent auditor is required to provide detailed back-up documentation at the time of approval.

The Audit Committee has considered whether, and determined that, the provision of the non-audit services is compatible with maintaining S.R. Snodgrass, P.C.'s independence.

This report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Corporation specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

**Audit Committee**

Joshua E. Hoffman (Chair)

Mark C. Wagner

Donald Z. Musser

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**PROPOSAL NO 1:**

**TO ELECT THREE (3) CLASS B DIRECTORS TO SERVE FOR A THREE-YEAR TERM AND UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED.**

The three (3) nominees for Class B Director to be elected at the 2018 Annual Meeting of Shareholders are:

.	Willis R. Lefever;
.	Donald Z. Musser; and
.	Judith A. Weaver.

**The Board of Directors unanimously recommends that shareholders vote “FOR” the nominees for director listed above.**

**ANNUAL REPORT ON FORM 10-K**

A copy of ENB Financial Corp’s Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission, is enclosed with this proxy statement. The Annual Report on Form 10-K is also available on the Internet at: [www.investorvote.com/ENBP](http://www.investorvote.com/ENBP) or by contacting Barry W. Harting, Corporate Secretary of the Corporation. Any shareholder may obtain a copy of ENB Financial Corp’s Annual Report on Form 10-K for the previous year ended December 31, 2016, without charge, by submitting a written request to Barry W. Harting, Corporate Secretary, ENB Financial Corp, 31 East Main Street, Ephrata, Pennsylvania, 17522.

**LEGAL PROCEEDINGS**

The nature of the Corporation’s business could generate a certain amount of litigation involving matters arising in the ordinary course of business. However, in the opinion of management of the Corporation, there are no proceedings pending to which the Corporation is a party or to which its property is subject which, if determined adversely to the Corporation, would be material in relation to the Corporation’s financial condition. There are no proceedings pending other than those arising in the ordinary course of business.

EXPERTS

The consolidated financial statements of the Corporation, as of December 31, 2017 and 2016, have been audited by S.R. Snodgrass, P.C., Certified Public Accountants, Cranberry Township, PA, as independent auditors, as indicated in their report with respect thereto, in reliance upon the authority of said firm as experts in giving such reports.

OTHER MATTERS

As of the date of this document, the Board of Directors knows of no matters that will be presented for consideration at the annual meeting other than the ones described in this document. If any other matters shall properly come before the meeting and be voted upon, the persons named in this document as proxy holders will vote on those matters in accordance with the recommendations of the Board of Directors.

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.. **IMPORTANT ANNUAL MEETING INFORMATION** Electronic Voting Instructions Available 24 hours a day, 7 days a week! Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy. **VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.** Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Eastern Time, on May 8, 2018. Vote by Internet • Go to [www.investorvote.com/ENBP](http://www.investorvote.com/ENBP) • Or scan the QR code with your smartphone • Follow the steps outlined on the secure website Vote by telephone • Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone • Follow the instructions provided by the recorded message Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. X Annual Meeting Proxy Card • **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** • Proposals — The Board of Directors recommends a vote FOR all the nominees listed. 1. The election as Class B directors to serve for a three-year term these three nominees: + For Withhold For Withhold For Withhold 01 - Willis R. Lefever 02 - Donald Z. Musser 03 - Judith A. Weaver 2. This proxy also gives authority to vote on any other business as may properly be presented at the annual meeting. At this time the proxy holders know of no other business to be presented at the annual meeting. Non-Voting Items Change of Address — Please print your new address below. Comments — Please print your comments below. Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting. Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below Please sign exactly as your name appears on this card. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person. Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box. 1UPX + 02R7CA



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