CNB FINANCIAL CORP/PA
Form DEF 14A
March 22, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x   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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to 167;240.14a-12

CNB Financial Corporation

(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):

x No fee required.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

P.O. Box 42

Clearfield, PA 16830

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of CNB FINANCIAL CORPORATION will be held at the CNB Bank, One South Second Street, Clearfield, Pennsylvania 16830 on Tuesday, April 20, 2010, at 2:00 P.M. for the following purposes:

1. ELECTION OF DIRECTORS: To elect four Class 2 directors to serve until the Annual Meeting in the year 2013 or until their respective successors are elected and qualified.

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS: To ratify the appointment of Crowe Horwath LLP as our independent auditors for the year ending December 31, 2010.

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

The Board of Directors fixed March 15, 2010, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

The Annual Report on Form 10-K for the year ended December 31, 2009, the Annual Report Highlights, and the Proxy Statement and form of proxy for the meeting are enclosed.

YOU ARE URGED TO SIGN, DATE, AND RETURN THE ENCLOSED PROXY WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. PLEASE RETURN THE PROXY AS PROMPTLY AS POSSIBLE. YOU MAY WITHDRAW YOUR PROXY AT ANY TIME BEFORE IT IS VOTED BY SO NOTIFYING THE SECRETARY AND VOTE YOUR SHARES IN PERSON.

By Order of the Board of Directors,

Richard L. Greslick, Jr.
Secretary

Clearfield, Pennsylvania

March 22, 2010

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD

TUESDAY, APRIL 20, 2010

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

The enclosed proxy is being solicited by the Board of Directors of the Corporation for use at the Annual Meeting of Shareholders to be held April 20, 2010. The cost of preparing, assembling and mailing the notice of annual meeting, proxy statement and form of proxy is to be borne by the Corporation. In addition to the solicitation of proxies by use of mail, directors, officers or other employees of the Corporation may solicit proxies personally or by telephone and the Corporation may request certain persons holding stock in their names or in the names of their nominees to obtain proxies from and send proxy material to the principals and will reimburse such persons for their expenses in so doing. The date on which this proxy statement and the accompanying form of proxy was mailed to shareholders was March 23, 2010.

A quorum for the transaction of business at the annual meeting will require the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the total number of votes entitled to be cast on a particular matter to be acted upon at the meeting. Abstentions are counted as shares present for determination of a quorum but are not counted as affirmative or negative votes and are not counted in determining the number of votes cast on any matter.

The enclosed proxy is revocable at any time prior to the actual voting of such proxy by the filing of an instrument revoking it, or a duly executed proxy bearing a later date, with the Secretary of the Corporation. In the event your proxy is mailed and you attend the meeting, you have the right to revoke your proxy and cast your vote personally. All properly executed proxies delivered to us pursuant to this solicitation will be voted at the meeting in accordance with your instructions, if any. Unless otherwise directed, proxies will be voted FOR the election as directors of the four nominees named under the caption Election of Class 2 Directors herein and FOR ratification of the appointment of our independent auditors for the year 2010. The Board of Directors is not aware of any other matters which will be presented for action at the meeting, but the persons named in the proxies intend to vote or act according to their discretion with respect to any other proposal which may be presented for shareholder action.

The Board of Directors fixed the close of business on March 15, 2010, as the record date (the Record Date) for determining shareholders entitled to notice of, and to vote at, the meeting. The only securities of the Corporation entitled to vote at the meeting consist of 8,789,066 shares of common stock outstanding on the Record Date.

In the election of directors, each shareholder or a duly authorized proxy will have the right to vote the number of shares owned for each of the four directors to be elected. The nominees with the highest number of votes will be elected. There is no cumulative voting in the election of directors. The affirmative vote of a majority of the shares voted on the matter is required for the approval of all other matters, and the shareholders will have one vote for each share held.

To the knowledge of the Corporation, no single shareholder beneficially owned on the Record Date more than five percent (5%) of the outstanding common stock of the Corporation. On the Record Date, all officers and directors of the Corporation as a group (15 persons) beneficially owned 706,249 shares, or 8.1% of the total number of shares outstanding (including shares acquirable within 60 days of the Record Date).

1. ELECTION OF CLASS 2 DIRECTORS

The Articles of Incorporation of the Corporation provide that the Board of Directors shall consist of not less than nine nor more than twenty-four persons. The Board of Directors has acted to fix the number of directors for the ensuing year at twelve and the number of Class 2 directors at four.

The Articles further provide that the Board shall be classified into three classes with each class consisting of not less than three nor more than eight directors. One class of directors is to be elected annually for a three-year term. The four nominees named below are nominated to serve as Class 2 directors to hold office for a three year term expiring at the third succeeding annual meeting (in the year 2013). The persons named in the enclosed proxy will vote FOR the election of the nominees named below unless authority to do so is withheld. Each nominee has consented to be named as a nominee and has agreed to serve if elected. If, for any reason, any of the nominees named below should become unavailable to serve, the enclosed proxy will be voted for the remaining nominees and such other person or persons as the Board of Directors may select among those recommended by the Nominating Committee.

NOMINEES: Four Class 2 directors for a three year term expiring at the annual shareholders meeting in the year 2013.

Name	Age	Business Experience (Past Five Years)	Director Since	Shares Beneficially Owned (1) (2)	Shares Acquirable Within 60 Days (1)	Percentage of Shares Outstanding (7)
Dennis L. Merrey Independent Director	61	Chairman of the Board Retired. Formerly President and CEO Clearfield Powdered Metals, Inc. Chief Operating Officer (Manufacturer)	6/4/91	76,555 (3)	3,750	*
William C. Polacek Independent Director	43	President JWFI (Manufacturer)	12/9/08	3,900		*
Deborah Dick Pontzer Independent Director	50	Economic Development and Workforce Specialist for Congressman Glenn Thompson	6/10/03	3,882	1,250	*
Charles H. Reams Independent Director	66	President, CH Reams and Associates (Insurance)	1/9/07	2,402		*

The following paragraphs set forth certain information about the Class 2 director nominees:

Dennis L. Merrey was President and Chief Executive Officer of a foundry and machine company and Founder, President and Chief Executive Officer of a powdered metal parts producing company resulting in over 30 years of manufacturing management experience. He has been a member of the Bank s and Holding Company s Board of Directors since 1991 and was elected Chairman of the Board in 2007. He is currently retired from business. He has served on numerous charitable and public service boards and serves currently as Chairman of the Board of Clearfield Hospital.

William C. Polacek owns and operates various manufacturing businesses in Johnstown, PA, Pittsburgh, PA, and Baltimore, MD, the largest of which is JWF Industries. Mr. Polacek has over 25 years of management experience. In 2009, Mr. Polacek received an honorary doctorate degree from Saint Francis University for his work and service to the community. Mr. Polacek also serves on many boards within his community including Conemaugh Hospital, Johnstown Area Regional Industries, Johnstown Airport Authority, Mount Aloysius College, and the United Way.

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

Charles H. Reams is President of C.H. Reams & Associates, Inc., a company which provides consulting and broker services to organizations that offer fully insured and self-funded benefits. Mr. Reams is a Certified Life Underwriter, Chartered Financial Consultant, Registered Health Underwriter, and Registered Employee Benefits Consultant. In addition to these professional distinctions, Mr. Reams is currently a member of the Hamot Board of Incorporators and Erie Life Underwriters Association, as well as a past President of the Erie Estate Planning Council, and has served on the Board of Erie County Area Agency on Aging.

The Board of Directors recommends a vote FOR the foregoing nominees.

The following Class 1 directors terms expire at the time of the annual meeting in 2011.

Name	Age	Business Experience (Past Five Years)	Director Since	Shares Beneficially Owned (1) (2)	Shares Acquirable Within 60 Days (1)	Percentage of Shares Outstanding (7)
William F. Falger	62	Retired, Formerly President and Chief Executive Officer CNB Financial Corporation and CNB Bank	4/16/96	25,564 (3) (4)	50,000	*
Jeffrey S. Powell Independent Director	45	President J.J. Powell, Inc. (Petroleum Distributor)	12/27/94	237,765 (3)	5,000	2.8%
James B. Ryan Independent Director	62	Retired, Formerly Vice President of Sales & Marketing Windfall Products, Inc. (Manufacturer)	2/9/99	34,360	2,500	*
Peter F. Smith Independent Director	55	Attorney at Law	9/12/89	43,959 (3)	5,625	*

The following paragraphs set forth certain information about the Class 1 directors:

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

Jeffrey S. Powell is a graduate of The Pennsylvania State University where he earned a degree in Business Administration. He is currently the President of J.J. Powell Inc., a petroleum distributor, as well as Snappy s Convenience Stores. Mr. Powell serves as Audit Committee Chairman.

James F. Ryan was a founding partner and served as Vice President of Windfall Products, a Powdered Metal Manufacturing Company in St. Marys, Pennsylvania, and retired in 1999. Mr. Ryan has served on various civic boards.

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

The following Class 3 directors terms expire at the time of the annual meeting in 2012.

Name	Age	Business Experience (Past Five Years)	Director Since	Shares Beneficially Owned (1) (2)	Shares Acquirable Within 60 Days (1)	Percentage

						of Shares Outstanding (7)
Joseph B. Bower, Jr.	46	President and Chief Executive Officer CNB Financial Corporation President and Chief Executive Officer CNB Bank	4/19/05	8,252 (3) (4) 118,603 (5)	26,750	*
Robert E. Brown Independent Director	68	Vice President E.M. Brown, Inc. (Coal Producer)	2/15/83	48,929 (3)	5,000	*
Michael F. Lezzer Independent Director	49	President Lezzer Holdings, Inc. (Building Supply Co.)	8/10/04	10,615 (3) (6)	1,250	*
Robert W. Montler Independent Director	58	President & CEO Lee Industries (Manufacturer)	6/28/05	36,274		*

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The following paragraphs set forth certain information about the Class 3 directors:

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

Robert E. Brown is a graduate of Grove City College, Class of 1964. He is President of E. M. Brown, Inc., which is a ready mix concrete producer that also has a division specializing in AMD Mine Reclamation and water treatment systems. Mr. Brown serves on the Executive Board of the Pennsylvania Coal Association. He is also President of Clearfield Equipment, which operates a Dodge, Chrysler, & Jeep automobile dealership.

Michael F. Lezzer is President of Lezzer Holdings. He has served on the board of directors of LMC for 6 years, a $3 billion dollar building materials co-op, and numerous committees of LMC prior to his appointment to that board. Mr. Lezzer has served on the board of Clearfield Hospital and Clear Care Corporation and currently serves on the fund raising committee for Curwensville Fire Department.

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

Beneficial Ownership of Certain Executive Officers:

Name	Age	Business Experience (Past Five Years)	Shares Beneficially Owned (1) (2)	Shares Acquirable Within 60 Days (1)	Percentage of Shares Outstanding (7)
Mark D. Breakey	51	Executive Vice President and Chief Credit Officer CNB Bank	9,999	23,750	*
Charles R. Guarino	47	Treasurer CNB Financial Corporation Vice President Chief Financial Officer CNB Bank	349		*
Richard L. Sloppy	59	Executive Vice President and Chief Lending Officer CNB Bank	19,944 (3) (4)	15,625	*

(1) Information furnished by directors and executive officers.
(2) The shares beneficially owned by an individual are determined in accordance with the definition of beneficial ownership set forth in the regulations of the Securities and Exchange Commission and include shares as to which the individual has or shares voting or investment power on the Record Date.
(3) Includes joint ownership with relatives as to which the director or officer has joint voting or investment powers.
(4) Includes shares through a trust or pension plan agreement.
(5) Includes shared voting rights for shares indirectly held in trust for the CNB Bank Employee s Savings and Profit Sharing Plan and Trust.

(6) Includes indirect ownership of shares as to which the director or officer has voting or investment powers.
(7) * represents less than 1%.

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors is responsible for selecting the Corporation s independent auditors. At its meeting held on March 4, 2010, the Audit Committee appointed Crowe Horwath LLP (Crowe) as the independent auditors for the 2010 fiscal year. Although shareholder approval for this appointment is not required, the Board is submitting the selection of Crowe for ratification to obtain the views of shareholders. If the appointment is not ratified, the Audit Committee will reconsider its selection.

In making the appointment of Crowe as the Corporation s independent auditors for the fiscal year 2010, the Audit Committee considered whether Crowe s provision of services other than audit services is compatible with maintaining independence as our independent auditors and decided that the provision of such services is compatible with maintaining independence.

The Board of Directors recommends a vote FOR ratification of the appointment of independent auditors.

3. OTHER MATTERS

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

CORPORATE GOVERNANCE

Meetings and Committees of the Board of Directors

The Board of Directors held twenty meetings during 2009. Four of the twenty were special meetings where the Board discussed the state of the economy and condition of the financial markets. Management and the Board evaluated different strategies to ensure appropriate capital and liquidity issues. Nine directors attended the 2009 annual meeting of shareholders.

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

Audit Committee. The Audit Committee met four times in 2009. The Audit Committee appoints the Corporation s independent accountants, reviews and approves the audit plan and fee estimate of the independent public accountants, appraises the effectiveness of the internal and external audit efforts, evaluates the adequacy and effectiveness of accounting policies and financial and accounting management, approves and evaluates the internal audit function, pre-approves all audit and any non-audit services, and reviews and approves the annual and quarterly financial statements. The members of the Audit Committee are Jeffrey S. Powell, Chairman, Michael F. Lezzer, Robert W. Montler, Deborah Dick Pontzer and Charles H. Reams. The Corporation s Board adopted a written charter for the Audit Committee on May 3, 2001. The charter is reviewed annually by the Audit Committee and no changes were made in 2009. The charter is appended to this Proxy Statement as Exhibit A.

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

The Corporation s Board of Directors has determined that the Audit Committee does not have a financial expert serving on the Committee, as defined by the Securities and Exchange Commission (SEC). While there are attributes present regarding an understanding of financial statements as well as the ability to assess the proper application of accounting estimates, accruals and reserves, there is no indepth knowledge of generally accepted accounting principles. The Committee has the authority to engage legal counsel or other experts or consultants as it deems appropriate to carry out its responsibilities, at the Corporation s expense.

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

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

The Audit Committee has reviewed the audited financial statements for the year ended December 31, 2009 and has discussed them with management. The Audit Committee has also discussed with Crowe the matters required to be discussed by Statement on Auditing Standards No. 61. The Audit Committee has received the written disclosures and the letter from Crowe required by Independence Standards Board Standard No. 1 (having to do with matters that could affect the auditor s independence), and has discussed with Crowe their independence. Based on this, the Audit Committee recommended to the Board that the audited financial statements be included in CNB Financial Corporation s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the SEC.

Submitted by the Audit Committee:

Jeffrey S. Powell, Chairman	Michael F. Lezzer	Robert W. Montler
Deborah Dick Pontzer	Charles H. Reams	

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

Executive Compensation/Personnel Committee. The Executive Compensation/Personnel Committee consists of James B. Ryan, Chairman; Michael F. Lezzer; Robert W. Montler and Jeffrey S. Powell. The Committee met nine times during 2009. See Executive Compensation - Report of the Executive Compensation Committee.

Corporate Governance/Nominating Committee. The Corporate Governance/Nominating Committee met twice during 2008. The Committee consists of the following independent directors as defined by NASDAQ rules: Dennis L. Merrey, Chairman; Robert E. Brown; James B. Ryan; and Peter F. Smith. The Committee was established by resolution of the Board of Directors. Its function is to recommend to the Board candidates for nomination for election to the Board of Directors. Any shareholder who wishes to have the Committee consider a candidate should submit the name of the candidate, along with any biographical or other relevant information that the shareholder wishes the Committee to consider and the consent of such candidate evidencing his or her willingness to serve as a director, to the President of the Corporation at the address appearing on the Notice of Annual Meeting no later than November 18, 2010. All recommendations are subject to the process described below.

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

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

The Committee utilizes various selection criteria to evaluate a candidate for election or appointment to the Board of Directors. The criteria include but are not limited to the following minimum criteria:

1. Residency within the market area of CNB Bank.

2. Ability and willingness to commit time necessary to fulfill Board and committee duties.

3. Strong interest in or familiarity with the financial services industry.

4. Successful background in a business or profession representing a business or profession suitable to our business plan within the Bank s market area. Comparing new candidates to the current Board ensures that the Board has a diverse group of individuals through different professions, experience, education or skill.

5. Character and reputation.

6. Under the Bylaws: (i) no shareholder is eligible to serve as a director who does not own at least 1,000 unencumbered shares of the Corporation s common stock; (ii) no incumbent director may be proposed for nomination to the Board of Directors without approval of 25% of the Board; and (iii) no shareholder, not an incumbent director, may be proposed for nomination to the Board of Directors without approval of two-thirds of the Board.

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

Communications With Directors

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

Risk Oversight

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

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

Credit risk represents the possibility that a customer may not perform in accordance with contractual terms. Credit risk results from loans with customers and the purchase of securities. The Corporation manages credit risk by following an established credit policy and through a disciplined evaluation of the adequacy of the allowance for loan losses. Also, the investment policy limits the amount of credit risk that may be taken in the securities portfolio. Such policies and systems are monitored by both the Asset/Liability Committee of the Board and the Loan Committee of the Board, which meets bi-monthly.

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

Offices of CEO and Chairman

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

EXECUTIVE COMPENSATION

Report of the Executive Compensation Committee

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

The Committee has the overall responsibility for reviewing, establishing, and administering policies which govern executive compensation programs. It determines the compensation of the chief executive officer and recommends to the Board the compensation of all other executive officers. In discharging these responsibilities, the Committee seeks to maintain a position of equity with respect to the balancing of interests of the shareholders with those of the executive officers.

At the request of the Committee, executive officers of the Corporation or Bank may be present at Committee meetings for discussion purposes. However, they have no involvement in the decisions made by the Committee, nor do they have a vote on any matters brought before the Committee. Independent, outside advisors and consultants were used from time to time by the Committee during 2009 and have been put on retainer for 2010. The Committee engaged Pearl Meyer & Partners after interviewing them as well as two other firms. The engagement is solely at the direction of the Committee and is to assist in providing peer and industry data on base salary, incentive (both short and long term) and on contract issues including benefits for both executive officers and Directors.

Executive Compensation Discussion and Analysis

Executive Summary

This discussion and analysis describes briefly the philosophy, the strategy and the major details of the Corporation s approach to compensating key executives. The approach has been developed over several years with guidance and oversight of the Executive Compensation Committee and with the input and observations of management as well as that of compensation and benefits consultants.

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

Objective/Rewards

The primary objective of our approach is to produce superior operating results for the Corporation by attracting, retaining and motivating key executives whose experience, expertise and ability will assure that our overall corporate objectives are met or exceeded. Achieving above average performance benefits shareholders

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and rewards our senior management team through incentive-based compensation. The Committee uses annual incentive objectives to reward executives for the current year results based on metrics that compare CNB with their peer group. This program is designed to create a Corporation that achieves results above the median while operating within an agreed upon risk profile. Executive incentives also have risk measures that would call for a reduction (or elimination) of the incentive if certain accepted risks are exceeded. To balance out the compensation plan, the Committee also uses a long-term incentive plan. The Stock Based Compensation portion of the incentive is designed to insure that management is not only looking for short-term results but is managing for long-term growth in the value of the stock.

Elements of Compensation

The Corporation uses the following elements of compensation and benefits to recruit, retain and reward its key executives:

1. Salary - We believe that a competitive salary is essential and that it should produce between 50 percent and 70 percent of a key executive s total compensation, depending upon his or her position and ability to drive performance. Using data provided by our compensation consultant and from a compilation prepared by a national accounting firm, we benchmark salary and bonus generally to the median of a group of financial institutions similar to ours, with flexibility to adapt to the particular skills of an individual or the specific needs of the Corporation.

2. Annual Bonus - Through our 2009 Executive Incentive Plan, we offer a select group of key executives, whose efforts largely determine the achievement of corporate goals and objectives, an annual cash bonus opportunity. For each executive there are individual and group objectives, which vary among executives according to their areas of responsibility. In general, however, we set a minimum target or targets, expressed as performance in excess of the median for a peer group of similar corporations, which must be met before any bonus can be paid. The major component in the plan is Return on Average Assets (ROA). The target established is an ROA that exceeds the peer group at plus 0.10%. We compare the Corporation s performance to that of financial institutions with assets of between $1.0 billion and $3.0 billion that are not S Corporations as contained in the Bank Holding Company Performance Report prepared by the Federal Reserve Board.

3. Stock-Based Compensation - We believe that our key executives should be invested in the Corporation and share the risks and rewards of our other shareholders. Under the 2009 Stock Incentive Plan, we have used the award of restricted common stock, vesting equally in four installments, as a means of compensating key executives while making the full benefit of the award conditional upon remaining with the Corporation for the near future.

4. Non-Qualified Deferred Compensation Plans - We think that deferred compensation plays an important role in retaining key executives, as well as helping them provide for retirement. For that reason, we provide:

    a. Supplemental Executive Retirement Plan (SERP) - The Corporation adopted the SERP to make up , approximately, the difference between the benefit that would have been paid, using the formula in the Pension Plan and in the Savings Plan, and the benefit that can be paid under the Plans, because of Internal Revenue Service limits imposed on benefits payable or compensation covered under such plans.

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

5. Beyond the payment of dues to certain service and social organizations, executive officers do not receive any additional perquisites with the exception of vehicles provided to Mssrs. Falger, until December 31, 2009, and Bower at the expense of the Corporation.

Chief Executive Officer Compensation

During 2009, William F. Falger served as President and Chief Executive Officer of CNB Financial Corporation and CNB Bank. In determining Mr. Falger s base salary the Executive Compensation Committee reviewed Mr. Falger s performance relative to attainment of corporate goals and objectives such as earnings per share, return

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on assets, return on equity and various asset quality measurements. Also in determining Mr. Falger s base salary, the Committee took into consideration a comparison of base salaries of chief executive officers of a peer group of financial institutions.

In addition to base salary, Mr. Falger is eligible to receive a cash bonus for 2009 performance of which $114,400 was paid. This bonus is calculated based upon the level of earnings of the Corporation in excess of the median level of earnings achieved by all bank holding companies in the United States with assets in excess of $1.0 billion but less than $3.0 billion and a measure of nonperforming assets as compared to the same peer group in accordance with the 2009 Executive Incentive Plan approved in December, 2008. Mr. Falger was also granted 9,259 shares of restricted common stock under the 2009 Stock Incentive Plan.

The Corporation provided to Mr. Falger the use of a vehicle as well as the payment of club dues, both of which are included in Mr. Falger s taxable income.

2010 Executive Compensation Actions

Mr. Falger announced his retirement in July of 2009 effective December 31, 2009. At this time, Mr. Joseph B. Bower, Jr. was appointed as President and CEO of both the Corporation and the Bank beginning January 1, 2010. Mr. Bower has been with the Corporation and Bank since November, 1997, most recently as Executive Vice President and Chief Operating Officer. The Committee anticipates using consistant methodology going forward along with assistance from the compensation consultants.

The Committee reviewed the performance of the Chief Executive Officer and other executive officers and established their base salaries for the ensuing year. The Committee also set the performance targets utilized in the 2010 Executive Incentive Plan. In addition, the Committee reviews the non-qualified benefit plans of the executives. The other executive officers of the Corporation and/or the Bank are Mark D. Breakey, Executive Vice President and Chief Credit Officer, Richard L. Sloppy, Executive Vice President and Chief Lending Officer, and Charles R. Guarino, Vice President and Chief Financial Officer. The Committee reviewed the following comparison for the years shown:

Executive Salaries and bonuses as a % of Net Income	2009	-	13.8%
	2008	-	16.2%
	2007	-	9.9%
	2006	-	9.6%
	2005	-	9.7%
	2004	-	9.3%

Employment Contracts

The Corporation has entered into Executive Employment Contracts with Messrs. Bower and Sloppy that extend to December 31, 2010 and automatically renew unless either party serves the other party with 90 days written notice of termination. Each contract provides for a base salary to be established annually and for increases, stock awards and bonuses as may be awarded from time to time by the Board of Directors or the Executive Compensation Committee. Each contract contains a covenant not to compete with the Corporation for three years following termination of employment and a covenant to protect the Corporation s confidential information. The contracts provide for severance pay in the event of termination without cause, whether or not a change in control has occurred or for voluntary termination under certain specified circumstances following a change in control. The executive officer will be entitled to receive a lump sum cash payment equal to 2.99 times, except for Mr. Sloppy who would receive 2.50 times, his base salary for the year in which employment ends. An additional 2.99 times, except for Mr. Sloppy who would receive 2.50 times, the average incentive bonus paid over the last three years would be paid to Messrs. Bower and Sloppy. The potential payments that would have occurred assuming a change of control event at December 31, 2009 were $778,026 for Mr. Bower and $406,409 for Mr. Sloppy.

Submitted by the Executive Compensation Committee:

James B. Ryan, Chairman   Dennis L. Merrey   Robert W. Montler   Jeffrey S. Powell

Summary Compensation Table

The following table shows, for the years 2009, 2008 and 2007, the cash compensation paid by the Corporation and its subsidiaries, as well as certain other compensation paid or accrued for those years, to the principal executive officer, the principal financial officer and the next three highest paid executive officers.

Name and Principal Position	Year	Salary ($)	Restricted Stock Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value & Nonqualified Deferred Compensation Earnings ($) (2)	All Other Compensation ($) (3) (4)	Total ($)
William F. Falger, Principal Executive Officer, President and CEO of CNB Financial Corp. and CNB Bank	2009	286,000	149,996	114,400	775,800	9,691	1,335,887
	2008	277,000			289,431	8,976	575,407
	2007	268,000	36,018	35,878	193,417	9,620	542,933
Joseph B. Bower, Jr., Secretary of CNB Financial Corp. Executive Vice President and COO of CNB Bank	2009	205,500	29,960	82,200	164,338	8,110	490,108
	2008	181,000	12,160		(132,492)	5,978	66,646
	2007	175,000	23,211	23,428	74,396	4,472	300,507
Mark D. Breakey, Executive Vice President and Chief Credit Officer of CNB Bank	2009	135,000	16,478	41,344	105,415	3,764	302,001
	2008	129,000	7,600	11,127	(52,657)	2,114	97,184
	2007	125,000	14,505	16,942	52,043	5,394	213,884
Charles R. Guarino, Principal Financial Officer and Treasurer of CNB Financial Corp. Vice President and Chief Financial Officer of CNB Bank	2009	102,000	5,992	40,800	30,327	1,363	180,482
	2008	95,000			(3,548)	993	92,445
	2007	89,385		11,418	15,683	432	116,918

Richard L. Sloppy,	2009	138,000	16,478	27,600	158,345	3,680	344,103
	2008	134,000	7,600	19,095		3,004	112,974
Executive Vice President and Chief Lending Officer of CNB Bank	2007	130,000	14,505	26,996	(50,725)	473	205,128
					33,154		

(1) Reflects shares of restricted stock awarded under the 2009 Stock Incentive Plan valued at the dollar amount recognized for financial reporting purposes in accordance with ASC Topic 718. The shares of restricted stock that remain subject to forfeiture entitle the named executive officer to all of the rights of a shareholder generally, including the right to vote the shares and receive any dividends that may be paid thereon. The shares of restricted stock awarded vest equally over a four-year period except as to the 2009 awards to Mr. Falger which vest over five years. The shares continue to be subject to risk of forfeiture, which will lapse upon vesting. Accelerated vesting will occur and restrictions will lapse in the event that certain change in control events or normal retirements occur

(2) The Change in Pension Value includes the CNB Bank Employee s Savings and Profit Sharing Plan and Trust as described in this Proxy Statement and excludes the employee s contributions. This Plan is in place for all eligible employees and contribution amounts are standard for all participants.

(3) Figures stated in this column include contributions to the CNB Bank Employee s Savings and Profit Sharing Plan and Trust as well as term life insurance premiums which are reflected in Pension Benefits Table.

(4) It is the policy of the Corporation to pay dues to certain service and social organizations for the executive officers. The incremental cost of these benefits was minimal and did not exceed the lesser of 10% of total salary and bonus or $50,000 for any named executive officer for any of the years shown.

Grants of Plan-Based Awards in 2009

Name	Grant Date	Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value (1) ($)
William F. Falger	12/8/09	9,259	149,996
Joseph B. Bower, Jr.	11/10/09	800	12,160
Mark D. Breakey	11/10/09	500	7,600
Richard L. Sloppy	11/10/09	500	7,600
Charles R. Guarino			

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

Retirement Plan

The Corporation maintains a 401(k) Savings Plan and Non-Contributory Pension Plan jointly known as the CNB Bank Employee s Savings and Profit Sharing Plan and Trust (the Plan). The Plan permits eligible employees to make pre-tax contributions up to 70% of salary. Employees 21 years of age or over with a minimum of one year full time service are eligible for matching contributions by the Corporation at 100% of elective contributions not to exceed 3% of plan salary plus 50% of elective contributions that exceed 3% of plan salary but do not exceed 5% of plan salary. A Profit Sharing Non-Contributory Pension Plan is in place for employees 21 years of age or over with a minimum of one year full time service and allows employer contributions of 6% based on current year s compensation plus 5.7% of the compensation in excess of $106,800 subject to a $245,000 salary limit. The Corporation s total contributions to the Plan were approximately $337,000 for the 401(k) Savings Plan and $612,000 for the Profit Sharing Non-Contributory Pension Plan component.

Supplemental Executive Retirement Plan

The Bank has adopted a non-qualified supplemental executive retirement plan (SERP) for certain executives of the Bank to compensate those executive participants in the Bank s Pension Plan and Savings Plan whose benefits are limited by Section 415 of the Code (which places a limitation on annual benefits at $195,000 in 2009) or Section 401(a)(17) of the Code (which places a limitation on compensation at $245,000). The SERP provides the designated executives with retirement benefits generally equal to the difference between the benefit that would be available under the Pension Plan and Savings Plan but for the limitations imposed by Code Sections 401(a)(17) and 415 and that which is actually funded as a result of the limitations.

Pre-retirement survivor benefits are provided for designated beneficiaries of participants who do not survive until retirement in an amount equal to the lump sum actuarial equivalent of the participant s accrued benefit under the SERP. Pre-retirement benefits are payable in 20 equal annual installments. The SERP is considered an unfunded plan for tax and ERISA purposes. All obligations arising under the SERP are payable from the general assets of the Bank.

The SERP plan also provides for termination and change of control benefits. These payments would be made per the agreements in a lump sum payment to the designated executive. Three executives currently have this benefit. If a termination or change of control would have occurred at December 31, 2009, the following amounts would have been paid: Mr. Bower - change of control $1,471,864; Mr. Breakey - change of control $657,510; and Mr. Sloppy - termination $254,530, change of control $307,470.

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Outstanding Equity Awards at 2009 Fiscal Year-End

	Option Awards			Stock Awards		
Name	**Number of Shares Underlying Exercisable Options (1)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares That Have Not Vested (2)**	**Market Value of Shares That Have Not Vested ($)**	**Grant Date**
William F. Falger	12,500	9.00	12/11/11	9,259	148,051	12/8/09
	12,500	13.30	12/10/12			
	12,500	17.54	12/9/13			
	12,500	16.04	12/14/14			
Joseph B. Bower, Jr.	6,250	9.00	12/11/11	403	6,444	2/13/06
	6,250	13.30	12/10/12	808	12,920	2/13/07
	6,250	17.54	12/9/13	1,209	19,332	2/14/08
	8,000	16.04	12/14/14	800	12,792	11/10/09
Mark D. Breakey	3,750	7.40	8/8/10	252	4,029	2/13/06
	5,000	9.00	12/11/11	504	8,059	2/13/07
	5,000	13.30	12/10/12	756	12,088	2/14/08
	5,000	17.54	12/9/13	500	7,995	11/10/09
	5,000	16.04	12/14/14			
Charles R. Guarino						
Richard L. Sloppy	2,500	9.00	12/11/11	252	4,029	2/13/06
	3,125	13.30	12/10/12	504	8,059	2/13/07
	5,000	17.54	12/9/13	756	12,088	2/14/08
	5,000	16.04	12/14/14	500	7,995	11/10/09

(1) All stock options granted to the named executive officers were fully exercisable at December 31, 2009.

(2) All stock awards to the named executive officers vest 25% on each anniversary of the grant date.

The following table sets forth information concerning the vesting in 2009 of restricted stock awards granted to the named executive officers, as well as stock options exercised in 2009 by the named executive officers.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on**	**Value Realized on Exercise**	**Number of Shares Acquired on**	**Value**

	Exercise (#)	($)	Vesting (#)	Realized on Vesting ($)
William F. Falger (1)	21,250	163,773	5,632	78,815
Joseph B. Bower, Jr.	7,812	57,976	1,210	12,098
Mark D. Breakey (1)	3,400	17,292	756	7,560
Charles R. Guarino				
Richard L. Sloppy			756	7,560

(1) Share vesting represents dividends earned and reinvested from restricted stock awards.

Pension Benefits

Name	**Plan Name**	**Number of Years Credited Service**	**Present Value of Accumulated Benefit**
William F. Falger	CNB Bank Employee s Savings and Profit Sharing Plan and Trust	20	1,068,206
	Supplemental Executive Retirement Plan (1)	20	1,989,190
Joseph B. Bower, Jr.	CNB Bank Employee s Savings and Profit Sharing Plan and Trust	12	405,860
	Supplemental Executive Retirement Plan (1)	12	208,530
Mark D. Breakey	CNB Bank Employee s Savings and Profit Sharing Plan and Trust	18	315,547
	Supplemental Executive Retirement Plan (1)	18	94,566
Charles R. Guarino	CNB Bank Employee s Savings and Profit Sharing Plan and Trust	5	94,146
Richard L. Sloppy	CNB Bank Employee s Savings and Profit Sharing Plan and Trust	11	461,980
	Supplemental Executive Retirement Plan (1)	11	83,318

(1) The Supplemental Executive Retirement Plan is described on page 12. This plan is offset by tax-free earnings from Bank owned life insurance.

The following table depicts the change in value of the Nonqualified Deferred Compensation for the named executive officers occurring during 2009.

Nonqualified Deferred Compensation

Name	**Aggregate Earnings in Last FY**	**Aggregate Balance at Last FYE**
William F. Falger	$46,360	$138,912
Joseph B. Bower, Jr.		
Mark D. Breakey		
Richard L. Sloppy	14,815	44,449
Charles R. Guarino		

COMPENSATION OF DIRECTORS

Members of the Corporation s Board of Directors who are not employees of the Corporation or a subsidiary of the Corporation are paid a monthly retainer fee of $633 and also $300 for attendance at each Board meeting and $300 for attendance at each committee meeting. The Chairperson is also paid a $650 monthly retainer fee. Members of the Bank s Board of Directors who are not employees of the Corporation or a subsidiary of the Corporation are paid $550 for attendance at each Board meeting and $300 for attendance at each committee meeting. Committee Chairpersons were paid $400 for each meeting attended. The chairpersons of the Executive Compensation and Audit Committees are paid a quarterly retainer of $500. All Bank directors are paid a $633.33 monthly retainer.

Fees are reviewed annually by the Executive Compensation Committee for recommendation to the Board. The Committee reviews relevant peer group data similar to that used in the executive compensation review. The Committee also considers the board member s ownership of our common stock. The amount of ownership by the Board is somewhat significant and better aligns the interests of the Board with that of the shareholder base. The Committee believes that an appropriate compensation is critical to attracting, retaining and motivating directors who have the qualities necessary to direct this Corporation and who meet the guidelines referred to on page 7.

Non-Management Director Compensation Table for 2009

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (2)	All Other Compensation ($)	Total ($)
Dennis L. Merrey	55,150	8,239	85,843	1,188	150,420
Robert E. Brown	35,500	8,239	53,460	2,286	99,485
Michael F. Lezzer	34,850	8,239		270	43,359
Robert W. Montler	35,150	8,239		774	44,163
William C. Polacek	26,333	8,239		174	34,746
Deborah Dick Pontzer	31,250	8,239		270	39,759
Jeffrey S. Powell	37,650	8,239	91,566	180	137,635
Charles H. Reams	32,850	8,239		2,286	43,375
James B. Ryan	38,600	8,239		1,188	48,027
Peter F. Smith	33,050	8,239		774	42,063

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

(2) Does not include director contributions.

Code of Ethics

The Board of Directors of the Corporation has approved a Code of Ethics for Officers and Directors. The Code of Ethics can be found at the Bank s website, www.bankcnb.com, under the About Us heading.

CERTAIN TRANSACTIONS

Peter F. Smith is general counsel for the Corporation and the Bank. During the last fiscal year, the Corporation paid Mr. Smith $75,030 for legal services. Directors and officers of the Corporation and certain business organizations and individuals associated with them have been customers of and have had normal banking transactions with CNB Bank. All such transactions have been in the ordinary course of business, on terms substantially equivalent, including interest rates and collateral, to those which prevailed in similar transactions with unrelated persons and do not involve more than the normal risk of collectability or present other unfavorable features.

From time to time, the Corporation and the Bank purchase materials or services from directors or from companies with which directors are associated. Such transactions have been at prices and terms not less favorable to the Corporation than could have been obtained from other suppliers or service providers.

DIRECTORS AND EXECUTIVES DEFERRED COMPENSATION PLAN

In 1999, the Directors approved a Directors and Executive Deferred Compensation Plan. Annually, outside directors can elect the level of participation of their director compensation to be deferred up to 100%. Executive deferrals can be elected throughout the year up to 10% of base compensation and 100% of all bonuses. All deferred compensation will be a general liability of this Corporation and Bank, respectively. This is a phantom stock plan whereby any appreciation or depreciation in each participants account value will reflect precisely CNB Financial Corporation common stock performance including cash dividends. Deferred compensation will serve as a funding source for a trust. Investments are expected to closely match the appreciated or depreciated liability. Any variance will be adjusted by an expense or gain to the Corporation or Bank. In addition to the tax advantages to the participants, they are each additionally incented toward the general performance of the

Corporation s common stock. Accounting treatment for this plan is subject to the ASC Topic 718.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based upon a review of filings with the Securities and Exchange Commission and written representations that no other reports were required, we believe that all of our Directors and Executive Officers complied during 2009 with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

CONCERNING THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Corporation s independent auditor for the fiscal year ended December 31, 2009 was Crowe Horwath, LLP. The Audit Committee has selected Crowe Horwath, LLP to be the independent auditor for the fiscal year ending December 31, 2010. Representatives of Crowe Horwath, LLP are expected to be present at the annual meeting to respond to appropriate questions and to make such statements as they may desire, including comments on the financial statements of the Corporation.

Audit Fees. The following table sets forth the aggregate fees billed to CNB Financial Corporation for the fiscal years ended December 31, 2009 and December 31, 2008 by the Corporation s independent registered public accounting firm Crowe Horwath, LLP.

	December 31,	
	2009	**2008**
Audit Fees	$ 205,325	$ 190,200
Audit-Related Fees	33,058	6,635
Tax Fees		
All Other Fees		4,250
	$ 238,383	$ 201,085

Auditor Independence. The Audit Committee of the Board believes that the non-audit services provided by Crowe Horwath, LLP are compatible with maintaining the auditor s independence. None of the time devoted by Crowe Horwath, LLP on its engagement to audit the financial statements for the year ended December 31, 2009 is attributable to work performed by persons other than full-time, permanent employees of Crowe Horwath, LLP. The Audit Committee is responsible for approving any service provided by Crowe Horwath, LLP. The audit service represented 100% of total fees approved for Crowe Horwath, LLP.

SHAREHOLDER PROPOSALS

The Board of Directors will consider shareholder proposals for the year 2011 annual meeting of shareholders. Any shareholder wishing to make a proposal to be considered for inclusion in the Proxy Statement for that meeting should forward a written copy of such proposal to Joseph B. Bower, Jr., President, CNB Financial Corporation, P.O. Box 42, Clearfield, PA 16830 by certified mail, return receipt requested, no later than November 18, 2010.

By Order of the Board of Directors,

Richard L. Greslick, Jr.
Secretary

Clearfield, Pennsylvania

March 22, 2010

EXHIBIT A

CNB Financial Corporation

and CNB Bank

Audit Committee Charter

PURPOSE

To assist the board of directors in fulfilling its oversight responsibilities for [1] the integrity of the company s financial statements, [2] the company s compliance with legal and regulatory requirements, [3] the independent auditor s qualifications and independence, and [4] the performance of the company s internal audit function and independent auditors. The audit committee will also prepare the report that SEC rules require be included in the company s annual proxy statement.

AUTHORITY

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

Appoint, compensate, and oversee the work of the public accounting firm employed by the organization to conduct the annual audit. This firm will report directly to the audit committee.

Resolve any disagreements between management and the auditor regarding financial reporting.

Pre-approve all auditing and permitted non-audit services performed by the company s external audit firm.

Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

Seek any information it requires from employees-all of whom are directed to cooperate with the committee s requests-or external parties.

Meet with company officers, external auditors, internal auditors or outside counsel, as necessary.

The committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

COMPOSITION

The audit committee will consist of at least three and no more than six members of the board of directors. The Chairman of the Board will appoint committee members and the committee chair.

Each committee member will be both independent and financially literate. At least one member may be designated as the financial expert, as defined by applicable legislation and regulation. If there is not a financial expert , as defined by applicable law, on the Board of Directors, disclosure will be related to such in the annual proxy filing for CNB Financial Corporation. No committee member shall simultaneously serve on the audit committees of more than two other public companies.

MEETINGS

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via teleconference.

The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. If necessary, it will meet separately, periodically, with management, with internal auditors and with external auditors.

It will also meet periodically in executive session. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES

The committee will carry out the following responsibilities:

Financial Statement

Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:

- Complex or unusual transactions and highly judgmental areas
- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the company s selection or application of accounting principles
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company.

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Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor s activities or on access to requested information, and any significant disagreements with management.

Discuss the annual audited financial statements and quarterly financial statements with management and the external auditors, including the company s disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations.

Review disclosures made by CEO and Principal Financial Officer during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the company s internal controls.

Discuss earnings press releases (particularly use of proforma, or adjusted non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The audit committee does not need to discuss each release in advance.

Internal Control

Consider the effectiveness of the company s internal control system, including information technology security and control.

Understand the scope of internal and external auditors review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management s responses.

Internal Audit

Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.

Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive. Upon dismissal of the chief audit executive, ensure that the replacements qualifications meet with the approval of the committee.

On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

Review the external auditors proposed audit scope and approach, including coordination of audit effort with internal audit.

Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the committee will:

- At least annually, obtain and review a report by the independent auditor describing the firm s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues: and (to assess the auditor s independence) all relationships between the independent auditor and the company.

- Take into account the opinions of management and internal audit.

- Review and evaluate the lead partner of the independent auditor.

- Present its conclusions with respect to the external auditor to the Board.

Ensure time rotation of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself.

Present its conclusions with respect to the independent auditor to the full board.

Set clear hiring policies for employees or former employees of the independent auditors.

On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management s investigation and follow-up (including disciplinary action) of any instances of noncompliance.

Establish procedures for:

- Time receipt, retention, and treatment of complaints received by the listed issuer regarding accounting, internal accounting controls, or auditing matters
- The confidential, anonymous submission by employees of time listed issuer of concerns regarding questionable accounting or auditing matters.

Review the findings of any examinations by regulatory agencies, and any auditor observations.

Review the process for communicating the code of conduct to the company s officers, and for monitoring compliance therewith.

Obtain regular updates from management and company legal counsel regarding compliance matters.

REPORTING RESPONSIBILITIES

Regularly report to the board of directors about committee activities and issues that arise with respect to the quality or integrity of the company s financial statements, the company s compliance with legal or regulatory requirements, the performance and independence of the company s independent auditors, and the performance of the internal audit function.

Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.

Report annually to the shareholders, describing the committee s composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.

Review any other reports the company issues that relate to committee responsibilities.

OTHER RESPONSIBILITIES

Discuss with management the company s major policies with respect to risk assessment and risk management.

Perform other activities related to this charter as requested by the board of directors.

Institute and oversee special investigations as needed.

Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

Confirm annually that all responsibilities outlined in this charter have been carried out.

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X **PLEASE MARK VOTES AS IN THIS EXAMPLE**

REVOCABLE PROXY

PROXY FOR ANNUAL MEETING OF SHAREHOLDERS APRIL 20, 2010

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoint Mr. L. Albert Hubler and Mr. J. Carl Ogden and each of them the undersigned s true and lawful attorneys and proxies (with full power of substitution in each) to vote all stock of CNB Financial Corporation standing in the undersigned s name(s) at the Annual Meeting of Shareholders to be held at the office of CNB Financial Corporation/CNB Bank, One South Second Street, Clearfield, PA 16830 on April 20, 2010 or at any adjournment thereof.

Number of shares on record on March 15, 2010 ______

Please be sure to date and sign this proxy card in the box below. Date

Sign above

	For	With-hold	For All Except
1. ELECTION OF DIRECTORS:	..	..	..

To elect the Board s nominees named below to serve as Class 2 Directors until the Annual Meeting in the year 2013.

Dennis L. Merrey William C. Polacek

Deborah Dick Pontzer Charles H. Reams

INSTRUCTION: To withhold authority to vote for any individual nominee, mark For All Except and write that nominee s name in the space provided below.

	For	Against	Abstain
2. **Ratification of appointment of independent auditors, Crowe Horwath, LLP for the year ending December 31, 2010.**	..	..	..

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

In the absence of contrary directions, this proxy will be voted FOR all of the named nominees and FOR ratification of the appointment of auditors. The action of a majority of said attorneys and proxies present and acting at said meeting or adjournment (or the one thereof so present and acting if only one shall be present and acting) shall be the action of said attorneys and proxies.

x y

¿ **Detach above card, sign, date and mail in postage paid envelope provided.** ¿

CNB FINANCIAL CORPORATION

PLEASE ACT PROMPTLY

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD PROMPTLY

IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

Please sign exactly as printed hereon. When signing as attorney, executor, administrator, trustee, guardian, etc., give full title as such. If stock is held jointly, **each** joint owner should sign.
IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

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