MID PENN BANCORP INC
Form DEF 14A
April 01, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the Appropriate Box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

MID PENN BANCORP, INC.

(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:

(2) Aggregate number of securities to which transaction applies:

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

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(3) Filing Party:

(4) Date Filed:

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349 Union Street, Millersburg, PA 17061

April 3, 2019

Dear Shareholders:

You are cordially invited to attend the 2019 Annual Meeting of Shareholders of Mid Penn Bancorp, Inc. to be held on Tuesday, May 14, 2019, at 10:00 a.m., local time. The annual meeting will be held at the West Shore Country Club, 100 Brentwater Road, Camp Hill, Pennsylvania 17011.

The Notice of the Annual Meeting and the enclosed proxy statement address the formal business of the meeting. The formal business agenda includes the election of six Class C Directors, a non-binding vote to approve our executive compensation, a non-binding vote on the frequency of future non-binding votes on executive compensation, a proposal to amend our Articles of Incorporation to increase the number of authorized shares of common stock, and a proposal to ratify the appointment of our independent registered public accounting firm. At the meeting, management will review the Corporation s operations during the past year and will be available to respond to questions.

You are encouraged to vote your shares, whether or not you plan to attend the meeting. It is very important that you vote online via the Internet, by telephone, or mark, sign, date and return the accompanying proxy as soon as possible in the postage-paid envelope. If you do attend the meeting and wish to vote in person, you must give written notice to the Corporation s Secretary so your proxy will be superseded by any ballot that you submit at the meeting.

Sincerely,

Robert C. Grubic
Chairman of the Board

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349 Union Street, Millersburg, PA 17061

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 14, 2019

TO THE SHAREHOLDERS OF MID PENN BANCORP, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of Mid Penn Bancorp, Inc. (the Corporation) will be held at 10:00 a.m., local time, on Tuesday, May 14, 2019, at the West Shore Country Club, 100 Brentwater Road, Camp Hill, Pennsylvania 17011 for the following purposes:

1. to elect six Class C Directors, each to serve for a three-year term or until the earlier of their resignation or their respective successors shall have been elected and qualified;

2. to conduct a non-binding, advisory vote on the compensation paid to the Corporation s named executive officers;

3. to conduct a non-binding, advisory vote on the frequency of future advisory votes on executive compensation;

4. to approve an amendment to the Articles of Incorporation to increase the number of authorized shares of common stock from 10,000,000 shares to 20,000,000 shares;

5. to ratify the appointment of BDO USA, LLP as the Corporation s independent registered public accounting firm for the year ending December 31, 2019; and

6. to transact any other business that may properly come before the annual meeting or any adjournment or postponement thereof.

In accordance with the Corporation s By-laws and action of the Board of Directors, only those shareholders of record at the close of business on March 8, 2019, are entitled to notice of and to vote at the annual meeting and any adjournment or postponement thereof. For directions to the annual meeting, please contact Cindy L. Wetzel,

Secretary, at (717) 692-2133.

We have enclosed a copy of the Corporation s Annual Report on Form 10-K (annual report) for the year ended December 31, 2018. You may obtain an additional copy of the Corporation s annual report, including the financial statements and any exhibits for the 2018 year, at no cost, by contacting Michael D. Peduzzi, Chief Financial Officer, 349 Union Street, Millersburg, Pennsylvania 17061, telephone: (717) 692-2133 or by visiting www.edocumentview.com/MPB.

Whether or not you plan to attend the annual meeting, your vote is very important, and we encourage you to vote promptly. To vote your shares, please mark, sign and date the enclosed proxy and mail it promptly in the enclosed, postage-paid return envelope. You may also vote online via the Internet or by telephone. If you execute a proxy but later decide to attend the annual meeting in person, or for any other reason desire to revoke your proxy, you may do so as described in this proxy statement at any time before your proxy is voted. Submitting a proxy will not prevent you from attending the annual meeting and voting in person if you so desire, but it will help us secure a quorum and reduce the expense of additional proxy solicitation.

By Order of the Board of Directors,

Robert C. Grubic

Chairman of the Board

Millersburg, Pennsylvania

April 3, 2019

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 14, 2019. The proxy statement, proxy card and 2018 annual report to shareholders are available at www.edocumentview.com/MPB.

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349 Union Street, Millersburg, PA 17061

NASDAQ Global Market Trading Symbol: MPB

PROXY STATEMENT

2019 ANNUAL MEETING OF SHAREHOLDERS

MAY 14, 2019

Mailed to Shareholders on or about April 3, 2019

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FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. WHO IS ENTITLED TO VOTE?

A. Shareholders as of the close of business on March 8, 2019 (the voting record date) are entitled to vote, and each share of common stock is entitled to one vote on all matters presented for a vote at the meeting.

Q. ON WHAT AM I VOTING?

A. At the annual meeting, you will be asked to:

(i) elect six (6) directors to Class C for three (3) year terms expiring in 2022;

(ii) approve a non-binding, advisory vote regarding the compensation paid to our Named Executive Officers as disclosed in this proxy statement;

(iii) approve a non-binding, advisory vote regarding the frequency of future advisory votes on executive compensation;

(iv) approve an amendment to the Articles of Incorporation to increase the number of authorized shares of Corporation common stock from 10,000,000 shares to 20,000,000 shares; and

(v) ratify the appointment of BDO USA, LLP as the Corporation s independent registered public accounting firm for the year ending December 31, 2019.

The Board of Directors is not aware of any other matters to be presented for action at the meeting. If any other matter requiring a vote of the shareholders would be properly presented at the Annual Meeting, the proxies will vote according to the directions of the Board of Directors. **Our Board of Directors recommends a vote FOR each of the aforementioned proposals**.

Q. HOW DO I VOTE?

A. There are several methods. You may vote online via the Internet, by telephone, by completing and mailing your proxy, or by attending the meeting and voting in person. (See page 3 for more details.)

Q. HOW DOES DISCRETIONARY AUTHORITY APPLY?

A. If your shares are held in an account at a bank, brokerage firm, broker-dealer or other similar organization, then you are a beneficial owner of shares held in street name. In that case, you will have received these proxy materials from that organization holding your account and, as a beneficial owner, you have the right to instruct your broker, bank, trustee, or nominee how to vote the shares held in your account. If no voting instructions are given, your broker or nominee has discretionary authority to vote your shares on your behalf on routine matters. A broker non-vote results on a matter when your broker or nominee returns a proxy but does not vote on a particular proposal because it does not have discretionary authority to vote on that proposal and has not received voting instructions from you. We believe that your broker or nominee only has discretionary voting power with respect to the proposal regarding the ratification of the appointment of the independent registered public accounting firm. You may not vote shares held in street name at the annual meeting unless you obtain a legal proxy from that organization holding your account.

If you appropriately mark, sign and return the enclosed proxy card or voting instruction card, as the case may be, in time to be voted at the annual meeting, or if you vote by telephone or Internet in accordance with the instructions on the proxy card or voting instruction card, as the case may be, the shares represented thereby will be voted in accordance with your instructions. Signed proxies not marked to the contrary will be voted FOR the election of the six named nominees for our Board of Directors, FOR a non-binding advisory vote on the compensation of our named executive officers, FOR conducting future advisory votes on executive compensation annually, FOR the amendment to the Articles of Incorporation to increase the number of authorized shares of common stock and FOR the ratification of the appointment of our independent registered public accounting firm for the year ending December 31, 2019.

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Q. IS MY VOTE CONFIDENTIAL?

A. Yes. Only the Judges of Election, our transfer agent, Computershare, proxy holders and Secretary have access to your proxy. All comments remain confidential unless you ask that your name be disclosed.

Q. WHO WILL COUNT THE VOTES?

A. Kathy I. Bordner, Olivia M. Caley and Justin T. Webb will review the tabulations of the votes as provided by Computershare and act as Judges of Election.

Q. WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY?

A. Your shares are probably registered differently or are in more than one account. Vote all proxies you receive to ensure that all your shares are voted. If you have all of your accounts registered in the same name and address, you should only receive one set of proxy materials in future years. If you are receiving multiple statements and reports and wish to receive only one, please notify your broker if your shares are held in a brokerage account or our transfer agent, Computershare at (800) 368-5948, if you directly hold registered shares.

Q. WHAT CONSTITUTES A QUORUM?

A. At the close of business on March 8, 2019, 8,459,918 shares of our common stock were outstanding and eligible to vote. A majority of the outstanding shares of common stock, present or represented by proxy, constitutes a quorum for the transaction of business at the meeting. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the annual meeting for purposes of determining the presence of a quorum.

Q. WHAT PERCENTAGE OF STOCK DO THE DIRECTORS AND OFFICERS OWN?

A. Approximately 18.2% of our common stock, as of close of business on March 8, 2019, is owned by our directors and officers. (See page 31 for more details.)

Q. WHEN ARE THE 2020 SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS DUE?

A. In order to be considered timely, you must submit your shareholder proposal or director nomination in writing by December 5, 2019, to Cindy L. Wetzel, Secretary, Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061. (See page 35 with regard to shareholder proposal and director nomination procedures.)

Q. HOW MAY I SUBMIT A QUESTION FOR THE ANNUAL MEETING?

A. In order for management to thoroughly answer any questions that you may have about the Corporation or our annual shareholder materials, including financial statements, we ask that you submit your questions prior to the Annual Meeting of Shareholders. You may submit questions either by mail, email or telephone by contacting Cindy L. Wetzel, Secretary, Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061, cindy.wetzel@midpennbank.com, (717) 692-2133. Questions received in advance of the meeting will be compiled by the Secretary and relayed promptly to management and the Board. Management and the Board will endeavor to address all relevant questions submitted at the Annual Meeting of Shareholders.

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PROXY STATEMENT

FOR THE ANNUAL MEETING OF SHAREHOLDERS OF

MID PENN BANCORP, INC.

MAY 14, 2019

GENERAL INFORMATION

Date, Time and Place of Annual Meeting

Mid Penn Bancorp, Inc. (the Corporation), a Pennsylvania business corporation and registered bank holding company, furnishes this proxy statement in connection with the solicitation by the Corporation s Board of Directors (the Board) of proxies to be voted at the 2019 Annual Meeting of Shareholders. The annual meeting will be held at the West Shore Country Club, 100 Brentwater Road, Camp Hill, Pennsylvania 17011, on Tuesday, May 14, 2019, at 10:00 a.m., local time. The Corporation s principal executive office is located at 349 Union Street, Millersburg, Pennsylvania 17061; the telephone number is (717) 692-2133. All inquiries regarding the annual meeting should be directed to Rory G. Ritrievi, President and Chief Executive Officer of the Corporation.

Reduce Duplicate Mailings

In accordance with Securities Exchange Act Rule 14a-3(e)(1), the Corporation in the future intends to deliver only one annual report and proxy statement to multiple shareholders sharing an address unless the Corporation receives contrary instructions from one or more of the shareholders. This method of delivery is known as householding. Upon written or oral request, the Corporation will promptly deliver a separate copy of the annual report or proxy statement, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. Further, shareholders should notify Cindy L. Wetzel at Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061 or call (717) 692-2133 and inform us that the shareholder wishes to receive a separate copy of an annual report or proxy statement in the future. If you are receiving multiple statements and reports and wish to receive only one, please notify your broker if your shares are held in a brokerage account or the Corporation s transfer agent, Computershare, at (800) 368-5948, if you directly hold registered shares.

VOTING PROCEDURES

Solicitation and Voting of Proxies

The Board solicits this proxy for use at the Corporation s 2019 Annual Meeting of Shareholders. The Corporation s directors, officers and Bank employees may solicit proxies in person or by telephone, facsimile, email or other similar means without additional compensation. The Corporation will pay the cost of preparing, assembling, printing, mailing and soliciting proxies and any additional material that the Corporation sends to its shareholders. The Corporation will make arrangements with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation materials 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 solicitation material to the beneficial owners of stock.

Only shareholders of record as of the close of business on March 8, 2019, may vote at the annual meeting. The Corporation s records show that, as of the voting record date, 8,459,918 shares of common stock were outstanding and eligible to vote. On all matters to come before the annual meeting, shareholders may cast one vote for each share held.

Cumulative voting rights do not exist with respect to the election of directors. See Principal Shareholders on page 31 for a list of the persons known by the Corporation to be beneficial owners of 5% or more of the Corporation s common stock.

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. As the shareholder of record, you have the right to grant your voting proxy directly to the proxy holders or to vote in person at the meeting. The Corporation has enclosed a proxy for your use or you may vote online via the Internet or by telephone.

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If your shares are held in an account at a bank, brokerage firm, broker-dealer or other similar organization, then you are a beneficial owner of shares held in street name. In that case, you will have received these proxy materials from that organization holding your account and, as a beneficial owner, you have the right to instruct your broker, bank, trustee, or nominee how to vote the shares held in your account. If no voting instructions are given, your broker or nominee has discretionary authority to vote your shares on your behalf on routine matters. A broker non-vote results on a matter when your broker or nominee returns a proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on that proposal and has not received voting instructions from you. We believe that your broker or nominee only has discretionary voting power with respect to the proposal regarding the ratification of the appointment of the independent registered public accounting firm. You may not vote shares held in street name at the annual meeting unless you obtain a legal proxy from that organization holding your account.

If you appropriately mark, sign and return the enclosed proxy card or voting instruction card, as the case may be, in time to be voted at the annual meeting, or if you vote by telephone or Internet in accordance with the instructions on the proxy card or voting instruction card, as the case may be, the shares represented thereby will be voted in accordance with your instructions. Signed proxies not marked to the contrary will be voted **FOR** the election of each of Robert A. Abel, Matthew G. DeSoto, Joel L. Frank, Theodore W. Mowery, Patrick M. Smith and William A. Specht, III as Class C directors for three-year terms expiring in 2022, **FOR** the non-binding advisory proposal on executive compensation, **FOR** conducting a non-binding shareholder vote on executive compensation every year, **FOR** the amendment to the Articles of Incorporation to increase the number of authorized shares of common stock from 10,000,000 shares to 20,000,000 shares, and **FOR** the ratification of BDO USA, LLP as the Corporation s independent registered public accounting firm for 2019.

Quorum and Vote Required For Approval

In order to hold the annual meeting, a quorum of shareholders must be present. Under Pennsylvania law and the Corporation s By-laws, the presence, in person or by proxy, of the holders of a majority of the shares entitled to vote is necessary to constitute a quorum for the transaction of business at the meeting. Broker non-votes and abstentions will be counted for the purpose of determining whether a quorum is present, but broker non-votes will not be included for determining whether shareholder approval of a matter has been obtained.

If a quorum is present, the six candidates for director receiving the highest number of votes cast by shareholders, even if less than a majority, will be elected. Consequently, any shares not voted (whether by abstention, broker non-vote or otherwise) will not be included in determining which nominees received the highest number of votes. A properly executed proxy that withholds authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

If a quorum is present, approval of each of the other proposals will require the affirmative vote of the holders of at least a majority of the votes cast at the annual meeting. Under Pennsylvania law, abstentions are not considered votes cast and, accordingly, will not affect the outcome of the voting on the non-binding advisory proposal on executive compensation, the non-binding advisory vote on the frequency of future advisory votes on executive compensation, the amendment of the Articles of Incorporation, or ratification of the appointment of BDO USA, LLP.

Revocability of Proxy

Shareholders of record who sign proxies may revoke them at any time before they are voted by:

delivering a written notice of revocation to Cindy L. Wetzel, Secretary of Mid Penn Bancorp, Inc., at 349 Union Street, Millersburg, Pennsylvania 17061, before the vote is taken at the annual meeting;

voting online via the Internet, by telephone, or delivering a duly executed proxy bearing a later date to the Secretary of the Corporation, before the vote is taken at the annual meeting; or

voting in person after giving written notice to the Secretary of the Corporation. (Your attendance at the annual meeting, in and of itself, will not revoke the proxy.)

You have the right to vote and, if desired, to revoke your proxy any time before the vote is taken at the annual meeting. Should you have any questions, please call Cindy L. Wetzel at (717) 692-2133.

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Methods of Voting

Shareholders of record can choose one of the following ways to vote:

Voting by Proxy

Mark your selections.

Date your proxy and sign your name exactly as it appears on your proxy.

Mail it to the Corporation in the enclosed, postage-paid envelope.

Voting by Internet

Go to www.investorvote.com/MPB.

Follow the steps outlined on the secure website.

Voting by Telephone

Call toll free (800) 652-VOTE (8683) on a touch tone telephone.

Follow the instructions provided by the recorded message.

Voting in Person

Attend the annual meeting and show proof of eligibility to vote (including proper identification).

Obtain a ballot.

Mark your selections.

Date your ballot and sign your name exactly as it appears in the Corporation s transfer books.

Shareholder Questions

In order for management to thoroughly answer any questions that shareholders may have about the Corporation or our annual report, including financial statements, we ask that shareholders submit their questions prior to the Annual Meeting of Shareholders. Shareholders may submit questions either by mail, telephone or email by contacting Cindy L. Wetzel, Secretary, Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061, (717) 692-2133, cindy.wetzel@midpennbank.com. Questions received in advance of the meeting will be compiled by the Secretary and relayed promptly to management and the Board. Management and the Board will endeavor to address all relevant questions submitted at the Annual Meeting of Shareholders.

GOVERNANCE OF THE CORPORATION

Governance

The Board believes that the purpose of corporate governance is to ensure that it maximizes shareholder value in a manner consistent with legal requirements and the highest standards of integrity. The Board has adopted and adheres to corporate governance practices, which the Board and senior management believe promote this purpose, are sound and represent best practices. These governance practices, Pennsylvania law (the state of incorporation), the rules and listing standards of The NASDAQ Stock Market LLC (NASDAQ) and the Securities and Exchange Commission (the SEC) regulations, as well as best practices suggested by recognized governance authorities are continually reviewed.

Currently, the Board has eighteen members. Under the NASDAQ standards for independence, the following directors meet the standards for independence: Robert A. Abel, Steven T. Boyer, Kimberly J. Brumbaugh, Matthew G. DeSoto, Joel L. Frank, Robert C. Grubic, Gregory M. Kerwin, Robert E. Klinger, Robert J. Moisey, Theodore W. Mowery, John E. Noone, Alan P. Novak, Noble C. Quandel, Jr., Patrick M. Smith and William A. Specht, III. This constitutes more than a majority of the Board. Only independent directors serve on the Audit, Compensation and Nominating and Corporate Governance Committees.

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In determining the directors independence, the Board considered loan transactions between the Bank and the directors, their family members and businesses with whom they are associated, as well as any contributions made to non-profit organizations with whom they are associated.

The table below includes a description of other categories or types of transactions, relationships or arrangements considered by the Board (in addition to those listed above) in reaching its determination that the directors are independent.

Name	Independent	Other Transactions/Relationships/Arrangements
Mr. Abel	Yes	None
Mr. Boyer	Yes	None
Ms. Brumbaugh	Yes	None
Mr. DeSoto	Yes	Company donation to charitable fundraiser coordinated by Director*
Mr. Frank	Yes	None
Mr. Grubic	Yes	Leasehold arrangement; environmental assessments; engineering services
Mr. Kerwin	Yes	Legal services*
Mr. Klinger	Yes	Supplies; company donation to charitable fundraiser coordinated by Director*
Mr. Moisey	Yes	None
Mr. Mowery	Yes	Commissions earned on insurance premiums
Mr. Noone	Yes	Leasehold arrangements
Mr. Novak	Yes	None
Mr. Quandel	Yes	Leasehold arrangements; bank building assessment
Mr. Smith	Yes	None
Mr. Specht	Yes	None

* Transactions totaled less than $3,000.

In each case, the Board determined that none of the transactions above impaired the independence of the director. For more information, please refer to Certain Relationships and Related Transactions on page 30.

During the year ended December 31, 2018, the Corporation s and Bank s Boards of Directors each held fourteen meetings. In addition, the Corporation s independent Board members held one independent Board Meeting during 2018.

Board Leadership Structure

The Board is led by a non-executive Chairman selected by the Board from time to time. The Chairman of the Board organizes Board activities to enable the Board to effectively provide guidance to and oversight and accountability of management. To fulfill that role, the Chairman, among other things: creates and maintains an effective working relationship with the Chief Executive Officer and other members of management and with other members of the Board; provides the Chief Executive Officer ongoing direction as to Board needs, interests and opinions; and assures

that the Board agenda is appropriately directed to the matters of greatest importance to the Corporation. In carrying out his responsibilities, the Chairman preserves the distinction between management and oversight, maintaining the responsibility of management to develop corporate strategy and the responsibility of the Board to review and express its views on corporate strategy. The functions of the Chairman include:

presiding over all meetings of the Board and shareholders, including regular executive sessions of non-management directors of the Board;

establishing the annual agenda of the Board and the agendas of each meeting in consultation with the Chief Executive Officer;

advising committee chairs, in consultation with the Chief Executive Officer, on meeting schedules, agenda and information needs for the committees of the Board;

defining the subject matter, quality, quantity and timeliness of the flow of information between management and the Board and overseeing the distribution of that information;

coordinating periodic review of management s strategic plan for the Corporation;

leading the Board review of the succession plan for the Chief Executive Officer and other key members of senior management;

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serving as Acting Chief Executive Officer in concert with the Board or appointing an interim Chief Executive Officer until a successor is selected in the event there is a separation with the existing Chief Executive Officer;

coordinating the annual performance review of the Chief Executive Officer;

consulting with committee chairs about the retention of advisors and experts;

acting as the principal liaison between the independent directors and the Chief Executive Officer on sensitive issues;

working with the Nominating and Corporate Governance Committee to develop and maintain the agreed-on definitions of the role of the Board and the organization, processes and governance guidelines necessary to carry it out;

after consulting with other members of the Board and the Chief Executive Officer, making recommendations to the Nominating and Corporate Governance Committee as to the membership of various Board committees and committee chairs;

working with management on effective communication with shareholders, including being available for consultation and direct communication upon the reasonable request of major shareholders;

encouraging active participation by each member of the Board; and

performing such other duties and services as the Board may require.

Risk Oversight by Board

The Board oversees all business, property and affairs of the Corporation and Bank. The Chairman and the Corporation s officers keep the members of the Board informed of the Corporation s business through meetings and by providing reports and other materials to Board members.

In addition to the general oversight of Corporation and Bank business, the Board also reviews a comprehensive quarterly Risk Management Report, prepared by the Bank s Chief Operating Officer, which includes metrics and trends on ten major risk areas, including cybersecurity, asset quality, interest rate risk, capital adequacy and liquidity.

Board Evaluation Process

Recognizing the need to remain proactive in light of a rapidly expanding franchise, the Nominating and Corporate Governance Committee engaged in the development of a framework for evaluating the effectiveness of the Board, its

committees and the individuals serving thereon.

That process consisted of both objective and subjective considerations that would serve as a tool for the development of an effective and practical director succession plan.

As the Committee began to develop this framework, it became clear, based on published research, current events and common sense, that for the Board to be most effective in providing the oversight and strategic direction necessary to guide such a rapidly evolving organization forward, the composition of the Board must reflect a meaningful level of diversity in four specific areas: expertise and experience; tenure and age; gender, race and ethnicity; and geography, as well as a meaningful level of stock ownership.

Experience Directors should have demonstrated leadership experience in industries that correlate to those industries served by the Corporation or in which the Corporation operates, or have otherwise demonstrated an expertise in professional disciplines from which the Board can draw in discharging its oversight responsibilities.

Gender, Race and Ethnicity The Board should be a reflection of the communities the Corporation serves, the individuals it employs, and the shareholders whose interest the Board is charged with advancing.

Age and Tenure A Board diverse in age and tenure serves to ensure that the Board will benefit from a healthy mix of long-term institutional knowledge, fresh ideas and independence from management, thereby promoting director engagement and mitigating against complacency.

Geography The individuals serving on the Board should reside in the markets served by the Corporation, offering first-hand knowledge with respect to strategic opportunities that may arise in such markets from time to time.

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Stock Ownership Directors should hold a meaningful amount of stock of the Corporation, commensurate with the tenure of the individual director, in order to ensure that the economic interests of the Board are aligned with those of the shareholders.

The proposed evaluation process, which consists of a combination of self-assessment, questionnaires and interviews, will serve to identify those areas which could benefit the Board, enabling the Committee and Board to then develop an appropriate action plan for addressing any identified need.

While this evaluation process is just the first step in the creation of a long-term director development plan, it represents a commitment by the Board to ensure that its overall composition is diverse in every meaningful way, with the ultimate goal of enhancing Board performance and overall shareholder value.

Code of Ethics

The Corporation s and the Bank s Board have adopted a Code of Ethics that applies to its directors, officers and employees. The Code of Ethics encourages individuals to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Ethics. The Code of Ethics is available under the *Corporate Information* section of the *Investors* page of the Bank s website at www.midpennbank.com.

Shareholder Communications

Any shareholder who wishes to communicate with the Board may send correspondence to Rory G. Ritrievi, President and Chief Executive Officer, Mid Penn Bancorp, Inc., at 349 Union Street, Millersburg, Pennsylvania 17061, with a copy to Cindy L. Wetzel, Secretary, at the same address. Written communications received from shareholders are shared with the full Board or appropriate committee as warranted. The Board has a complaint procedure for communicating accounting, internal accounting controls and auditing matters. Complaints generated are directed to a separate mailing address, which is under the control of the Chairman of the Audit Committee. Please refer to the *Corporate Information* section of the *Investors* page of Mid Penn s website at www.midpennbank.com for complete details.

A shareholder who intends to nominate an individual for election to the Board (other than a candidate proposed by the Board) must notify the Secretary of the Corporation in compliance with the requirements of Article 10, Section 10.1 of the Corporation s By-laws. Any shareholder who intends to nominate a candidate for election to the Board must notify the Secretary of the Corporation in writing not less than the earlier of (1) 120 days prior to the anniversary date of the initial proxy materials or of a notice of the meeting by the Corporation in connection with the immediately preceding Annual Meeting of Shareholders (which would be December 5, 2019 for the 2020 annual meeting), or (2) the deadline for submitting shareholder proposals for inclusion in a proxy statement and form of proxy as calculated under Rule 14a-8(e) promulgated by the SEC (which is also December 5, 2019 for the 2020 annual meeting).

Annual Meeting Attendance

All directors attended the 2018 Annual Meeting of Shareholders. While the Corporation does not have a formal policy regarding attendance, all directors are strongly encouraged to attend the Annual Meeting of Shareholders.

Committees and Meetings of the Corporation s Board

During 2018, the Board maintained five standing committees: Executive, Audit, Compensation and Real Estate Committees, which jointly serve the Corporation and the Bank, and the Nominating and Corporate Governance

Committee, which serves only the Corporation. Only independent directors serve on the Audit, Compensation and Nominating and Corporate Governance Committees. Current committee membership is displayed in the following table.

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COMMITTEE MEMBERSHIP TABLE

	Nominating and Corporate Governance (Corporation only)	*Executive (Joint)*	*Audit (Joint)*	*Compensation (Joint)*	*Real Estate (Joint)*	*IT/Compliance (Bank only)*	*Loan (Bank only)*	*Trust (Bank only)*
Robert A. Abel	X		X	X				
Steven T. Boyer				X		X		X
Matthew G. DeSoto	X			X		X	X	
Joel L. Frank						X	X	
Robert C. Grubic	X	X			X	X	X	
Gregory M. Kerwin		X			X	X		X
Donald F. Kiefer						X	X	X
Robert E. Klinger			X					X
Robert J. Moisey	X		X					X
Theodore W. Mowery				X		X	X	
John E. Noone	X		X				X	
Alan P. Novak			X	X				
Noble C. Quandel, Jr.		X	X	X	X			
Rory G. Ritrievi		X			X	X	X	X
Patrick M. Smith			X		X			
David E. Sparks					X	X		X
William A. Specht, III		X	X	X	X		X	

Meetings Held in 2018	**4**	**2**	**4**	**6**	**3**	**4**	**10**	**4**

Each of the directors attended at least 75% of the total number of Board meetings and committee meetings for the Corporation and the Bank during their tenure on the Board in 2018.

The function of each of the Corporation s committees is described below.

NOMINATING AND CORPORATE GOVERNANCE. This committee identifies individuals qualified to become members of the Board; evaluates and recommends to the Board, nominees for each election of directors; and monitors and makes recommendations to the Board on other matters of policies and practices relating to corporate governance. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined by NASDAQ listing standards). Robert A. Abel serves as Chairman of this committee.

The Nominating and Corporate Governance Committee has a charter which is available under the *Corporate Information* section of the *Investors* page of the Bank s website at www.midpennbank.com. Candidates for director must be qualified in terms of education, professional experience, business contacts and special skills. Other less tangible, but equally important, qualifications include general representation from the markets served, enthusiasm, maturity, reputation, compatibility with other members of the Board, diplomacy and independent judgment. In addition, candidates should have a vested interest in the Corporation through ownership of Corporation stock. Board candidates, upon their appointment, are required to own 500 shares with the understanding that they accumulate a minimum of 2,500 shares in total by the end of their second year on the Board. The Board recognizes that its members have various abilities to acquire shares beyond the minimum threshold depending on their personal circumstances and may, in special circumstances, extend the two-year period for accumulating 2,500 shares to a longer period of time as determined by the Board. Members of the Board are encouraged to continue to accumulate shares over time to the extent possible considering their personal circumstances.

The Nominating and Corporate Governance Committee does not have a formal policy with respect to the diversity of the Corporation s Board members. However, the committee believes it is essential that Board members represent diverse view points and experiences. In considering candidates for the Board, the committee considers the entirety of each candidate s credentials in the contexts of these standards.

When developing a list of potential nominees, the Nominating and Corporate Governance Committee may take into consideration names provided by shareholders, directors or executive management. Information is gathered concerning the potential Board member s location of business and residence, shares owned, profession or business, and

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deposit and loan relationship with the Bank. Personal information about the individual is also gathered to determine if he/she meets the criteria listed in the Nominating and Corporate Governance Committee Policy and Charter. The Nominating and Corporate Governance Committee screens this information to narrow its search of final candidates to be interviewed. Upon completion of the interviews, the Nominating and Corporate Governance Committee makes a final recommendation to the full Board for appointment. All potential candidates are screened by the same process regardless of whether they are recommended by a shareholder or by another party.

EXECUTIVE. This committee may exercise the authority of the Board in the intervals between the meetings of the Board so far as may be permitted by law. Robert C. Grubic serves as Chairman of this committee.

AUDIT. This committee oversees audit coverage, selects the independent registered public accounting firm, reviews the annual and quarterly financial statements of the Corporation and auditor s reports, and monitors with management and the auditor the system of internal controls and its accounting and reporting practices. All members of the Audit Committee are non-employee directors and are independent (as independence is currently defined by NASDAQ listing standards). The Audit Committee has a charter which is available under the *Corporate Information* section of the *Investors* page of the Bank s website at www.midpennbank.com. John E. Noone serves as Chairman of this committee; Robert A. Abel, John E. Noone and Patrick M. Smith serve as the Audit Committee Financial Experts.

COMPENSATION. This committee assures that senior executives are compensated effectively in a manner consistent with the Bank s compensation strategy, internal equity considerations, competitive practice and the requirements of the appropriate regulatory bodies. This committee also reviews salary adjustments, compensation and benefits programs for all employees and makes recommendations to the Board. All members of the Compensation Committee are independent (as independence is currently defined by NASDAQ listing standards). The Compensation Committee has a charter which is available under the *Corporate Information* section of the *Investors* page of the Bank s website at www.midpennbank.com. Theodore W. Mowery serves as Chairman of this committee.

EXECUTIVE OFFICERS

Executive Officers of the Corporation and the Bank

The following table sets forth, as of the date of this proxy statement, selected information about the Corporation s and Bank s executive officers, each of whom is elected by the Board and each of whom holds office at the Board s discretion.

Name	Age	Principal Occupation for the Past Five Years and Position Held with Mid Penn Bancorp, Inc. and Subsidiaries
Rory G. Ritrievi	55	President, Chief Executive Officer and Director of the Corporation and the Bank since 2009.
Michael D. Peduzzi	53	Senior Executive Vice President of the Bank since October 2018 and Chief Financial Officer of the Corporation and the Bank since March 2016; Executive Vice President from March 2016 to October 2018. From March 2014 to March 2016, he served as Senior Vice President and Chief Financial Officer of Codorus Valley Bancorp, Inc. and PeoplesBank, York, PA, and from July 2011 to February 2014, he was a

		Principal of S.R. Snodgrass, A.C.
Justin T. Webb	36	Senior Executive Vice President of the Bank since October 2018 and Chief Operating Officer of the Bank since May 2018; Executive Vice President from July 2014 to October 2018; Chief Risk Officer from July 2014 to May 2018; Senior Vice President and Chief Credit Officer from July 2012 to July 2014.
Scott W. Micklewright	36	Senior Executive Vice President and Chief Revenue Officer of the Bank since October 2018; Executive Vice President from February 2013 to October 2018; Chief Lending Officer from June 2010 to October 2018.
Joseph L. Paese	59	Executive Vice President and Director of Trust and Wealth Management of the Bank since April 2016. He previously served as Managing Executive of First National Investment Advisors (RIA), a wholly-owned subsidiary of First National Trust Company (Pittsburgh/Hermitage, PA).
Joan E. Dickinson	54	Executive Vice President and Chief of Staff of the Bank since October 2018; Regional President from December 2017 to October 2018; Commercial Loan Manager from February 2017 to December 2017; Senior Vice President from January 2014 to October 2018; Commercial Loan Officer from February 2013 to February 2017; Vice President from February 2013 to January 2014.

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AUDIT COMMITTEE REPORT

The Board adopted a written charter for the Audit Committee. The Audit Committee Charter is available under the *Corporate Information* section of the *Investors* page of the Bank s website at www.midpennbank.com. As required by the charter, the Audit Committee, in fulfilling its oversight responsibilities regarding the audit process:

- reviewed and discussed the fiscal year 2018 audited financial statements and the management report on internal controls over financial reporting with management and the independent registered public accounting firm;
- discussed with the independent registered public accounting firm, BDO USA, LLP, the matters required to be discussed by PCAOB Audit Standard 1301 (Communications with Audit Committees) as issued by the Public Company Accounting Oversight Board; and
- reviewed the written disclosures and the letter from the independent registered public accounting firm required by the Public Company Accounting Oversight Board Independence Rules and discussed with the independent auditors any relationships that may impact their objectivity and independence.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements for the year ended December 31, 2018, be included in the Corporation s annual report and filed with the SEC.

Aggregate fees billed to the Corporation and the Bank by BDO USA, LLP, the independent registered public accountants, for professional services rendered are as follows:

Year Ended December 31,	2018	2017
Audit fees	$ 436,039	$ 196,402
Audit related fees	$ 45,469	$ 46,173
Tax fees	$ 12,913	$ 17,102

Audit fees for 2018 and 2017 include professional services rendered for the audit of the Corporation s annual consolidated financial statements (including amounts not yet billed, but expected to be billed) and review of consolidated financial statements included in Forms 10-Q, including out-of-pocket expenses.

Audit related fees for 2018 include fees billed for the review of the Registration Statement on Form S-4 that was initially filed with the SEC on May 31, 2018, including the subsequent amendments, and fees billed for professional services rendered for the performance of the retirement plan audit. Audit related fees for 2017 include fees billed for the review of the Registration Statement on Form S-4 that was initially filed with the SEC on August 17, 2017, including the subsequent amendments, and fees billed for professional services rendered for the performance of the retirement plan audit.

Tax fees for 2018 and 2017 include the preparation of state and federal tax returns and tax consultations.

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.

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The foregoing report has been furnished by the current members of the Audit Committee, which is comprised of eight directors, all of whom are considered independent as defined in NASDAQ listing standards. Robert A. Abel, John E. Noone and Patrick M. Smith are qualified as audit committee financial experts within the meaning of rules and regulations promulgated by the SEC and NASDAQ listing standards, and the Board has determined that they have accounting and related financial management expertise to satisfy the requirements of the SEC and NASDAQ.

The Audit Committee Charter requires the Audit Committee to pre-approve all audit and permissible non-audit services provided by the independent registered public accountants. These services may include audit services, audit related services, tax services and other permissible services. Under the charter, pre-approval will generally be provided for up to one year and any pre-approval is detailed as to the particular service or category of services. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. Prior to approval, the Committee verifies with the auditor the nature of the proposed services to ensure independence will not be compromised. Under the charter, a de minimis exception is provided whereby pre-approval may be waived for non-audit services that meet all of the following requirements:

- the aggregate amount of all such services is not more than five percent of the total amount of fees paid to the independent auditor during the year in which the services are provided;
- such services were not recognized as non-audit services by the Corporation at the time of the engagement; and
- the services are promptly brought to the attention of the Audit Committee and approved prior to completion of the audit.

BDO USA, LLP advised us that it is independent with respect to the Corporation, within the meaning of the Securities Acts administered by the Securities and Exchange Commission, and in compliance with Rule 3520 of the Public Company Accounting Oversight Board.

Audit Committee

John E. Noone, Chairman	Alan P. Novak
Robert A. Abel	Noble C. Quandel, Jr.
Robert E. Klinger	Patrick M. Smith
Robert J. Moisey	William A. Specht, III

PROPOSAL NO. 1: ELECTION OF DIRECTORS

Qualifications and Nomination of Directors

The Corporation s By-laws authorize the number of directors to be not less than five (5) nor more than twenty-five (25). The By-laws also provide for three classes of directors with staggered three-year terms of office. Terms of the members of each Class expire at successive annual meetings. Currently, each Class consists of six directors.

The Board nominated the six persons named below to serve as directors until the 2022 Annual Meeting of Shareholders and until their successors are duly elected and qualified or until their earlier death, resignation, retirement or removal from office. The nominees are presently members of the Board and have consented to serve another term as a director if re-elected. If the nominees should be unavailable to serve for any reason, a majority of the Board then in office may select someone to fill the vacancy until the expiration of the term of the Class of directors to which he or she is appointed.

The proxy holders intend to vote proxies for the election of each of the six nominees named below, unless you indicate that your vote should be withheld from any or all of them. Brokers holding shares beneficially owned by their clients do not have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. **It is therefore important that you provide instructions to your broker if your shares are held by a broker so that your vote with respect to directors is counted.**

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The Board proposes the following nominees for election as Class C Directors at the annual meeting:

Robert A. Abel

Matthew G. DeSoto

Joel L. Frank

Theodore W. Mowery

Patrick M. Smith

William A. Specht, III

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE AS CLASS C DIRECTORS OF MID PENN BANCORP, INC.

INFORMATION REGARDING DIRECTOR NOMINEES AND CONTINUING DIRECTORS

Information, as of the date of this proxy statement, concerning the six nominees to the Board and the twelve continuing directors appears below. You will find information about their share ownership on page 31.

Class A Directors (to serve until 2020)

Robert C. Grubic, age 67, has been a director since 2006. In 1989, Mr. Grubic became President and Chief Executive Officer of Herbert, Rowland & Grubic, Inc., a consulting engineering firm based in Harrisburg, PA and currently serves as Chairman and Chief Executive Officer. He has been employed by the firm and its predecessor firm since 1973. Mr. Grubic has a Bachelor of Civil Engineering Degree from Villanova University and a Master of Administration Degree from The Pennsylvania State University. He serves on numerous civic and community boards and groups in the greater Harrisburg area. Mr. Grubic has overall management responsibility of the 200+ person engineering firm of Herbert, Rowland & Grubic, Inc., including oversight of all financial, administrative, human resources and technical components of the firm. Due to his many years of experience in managing a successful engineering firm, the Board feels Mr. Grubic s vast knowledge of business operations is invaluable and qualifies him to serve on the Board. Mr. Grubic was appointed Chairman of the Board of the Corporation and the Bank in 2012, after previously serving as Vice Chairman. Mr. Grubic also serves as Chairman of the Executive Committee and is a member of the Real Estate and Nominating and Corporate Governance Committees.

Donald F. Kiefer, age 64, became a director on January 8, 2018, pursuant to the Agreement and Plan of Merger, dated March 29, 2017, by and among Mid Penn Bancorp, Inc., Mid Penn Bank and The Scottdale Bank & Trust Company. Mr. Kiefer was employed by The Scottdale Bank & Trust Company, Scottdale, PA since December 1981, where he served as Trust Officer from 1981 until September 1984. He was elected President and Chief Executive Officer of The Scottdale Bank & Trust Company in September 1984 and has held that position until the merger with

Mid Penn Bank in January 2018. He was elected to The Scottdale Bank & Trust Company Board of Directors in 1984 and has served as Chairman since 2003. Mr. Kiefer earned a Bachelor s Degree in Economics from Allegheny College, Meadville, PA and a Master s in Business Administration from Rochester Institute of Technology (RIT), Rochester, NY. Upon graduation from RIT in 1979, Mr. Kiefer was employed by The Community Savings Bank in Rochester, NY as a staff auditor. Mr. Kiefer is President of The Scottdale Cemetery Association and has been on the Board of Directors since 1985. He is a member of the Kiwanis and a past member of the Rotary, The Scottdale Chamber of Commerce and other community and civic organizations. The Board has determined that Mr. Kiefer s extensive banking experience and leadership qualify him to serve on the Board.

Robert J. Moisey, age 69, became a director on March 1, 2015, pursuant to the Agreement and Plan of Merger, dated August 27, 2014, by and between Mid Penn Bancorp, Inc. and Phoenix Bancorp, Inc. Mr. Moisey joined the Miners Bank Board in 2011 and the Phoenix Bancorp, Inc. Board in 2012. He and his wife own The Laurels Senior Living, Inc., a family-owned and operated 100 bed personal care home in Hazleton, PA, of which Mr. Moisey is President/Administrator. Mr. Moisey has a Bachelor of Arts Degree in Biology from Kutztown University and a Bachelor of Science Degree in Education from Kings College. He is also a Certified Personal Care Home Administrator. Mr. Moisey previously owned and operated cable television companies, area radio stations, real estate management companies, video and appliance stores, and served on various bank Boards, including Greater Pennsylvania Savings & Loan, Pennsylvania National Bank and Legacy Bank. Mr. Moisey currently serves on the Boards of Helping Hands

Society, Hazleton Animal Shelter, Can Do Executive Committee, Can Do Foundation and is a member of Elks, Valley Kiwanis, Knights of Columbus and Valley Country Club. He is past chairman of the Board of Can Do Inc., past co-chair of the United Way Campaign, past Board member of St. Joseph s Hospital, Great Valley Tech Alliance, Bishop Hafey High School, Penns Northeast and Maylath Valley Health Systems. He received Outstanding Citizen awards from The American Cancer Society, Helping Hands, Tri Area Beverage Association, Lutheran Welfare Services, Hospice and numerous cable television and broadcasting awards. He received the Boy Scouts Distinguished Citizens Award in 2011 and the Junior Achievement Business Hall of Fame Laureate in 2012. The Board has determined that Mr. Moisey s vast knowledge of business operations and his community involvement qualify him to serve on the Board as well as on the Audit and Nominating and Corporate Governance Committees. Mr. Moisey also serves as Chairman of the Bank s Luzerne County Business Development Advisory Board.

John E. Noone, age 59, has been a director since 2012. Mr. Noone is President of Shamrock Investments, LLC, a Central Pennsylvania firm investing in commercial real estate and private business equity. He began his career in Accounting and became a Pennsylvania Certified Public Accountant before entering banking and corporate finance. As a banker, Mr. Noone managed a $300 million Commercial Banking Division of Pennsylvania National Bank as Vice President and Regional Commercial Banking Manager in Harrisburg, PA. He became an entrepreneur with the acquisition of McCann School of Business in 1993, which after significant growth, was sold in late 2002. In 2003, Mr. Noone was a co-founder of Higher Education Solutions, LLC and began developing privatized student apartments for colleges and universities. The apartment portfolio of HES was sold in late 2007, and Mr. Noone formed Shamrock Investments, LLC. Mr. Noone earned a Bachelor of Science Degree in Business with a concentration in Accounting from Marywood University. He also completed the Central Pennsylvania School of Commercial Banking at Bucknell University and the Advanced Commercial Lending School at the University of Virginia. He is a member of the American Institute of Certified Public Accountants. Mr. Noone previously served on the Board of the Pennsylvania Economic Development Financing Authority, Pennsylvania Chamber of Business and Industry, Pennsylvania Association of Private School Administrators and various other civic and community organizations. He is a current member of the Operational Committee of the Pennsylvania Community Development Bank. Due to his extensive business experience and his accounting and banking background, the Board has determined that Mr. Noone adds value to the Corporation and is qualified to serve on the Board and on the Nominating and Corporate Governance Committee, and as a Financial Expert and Chairman of the Audit Committee.

Alan P. Novak, age 69, became a director on August 1, 2018, pursuant to the Agreement and Plan of Merger, dated January 16, 2018, by and between Mid Penn Bancorp, Inc. and First Priority Financial Corp. Mr. Novak joined the First Priority Board in 2006. Mr. Novak is President of Novak Strategic Advisors, a government affairs consulting firm in Harrisburg, PA. He is also a partner in Rooney Novak Isenhour Group, a bi-partisan government strategies firm in Harrisburg. Mr. Novak is of counsel with the law firm, Lamb McErlane PC, in West Chester, PA where his practice focuses on government relations and government regulatory issues. He is a graduate of Ursinus College and Villanova Law School. Mr. Novak s clients range from Fortune 500 companies to higher education, trade associations, charitable organizations, and small businesses. For over 30 years, Mr. Novak has been a fixture in Pennsylvania politics, government affairs, issue advocacy and executive leadership. In 2001, he founded Novak Strategic Advisors, a public and government affairs firm dedicated to helping clients establish relationships and meet their strategic goals through intense, personalized grassroots campaigns. In 2015, Mr. Novak, along with his one-time political rival T. J. Rooney, founded Rooney Novak Group (now Rooney Novak Isenhour), which provides its clients with bipartisan leadership solutions for businesses, government, and communities. Their commitment to bipartisan solutions and civil public discourse was recognized in 2017 when they became the inaugural recipients of the Allegheny College Prize for Civility in Public Life in Pennsylvania. Mr. Novak s political career began in Chester County as a Coatesville Area committeeman. He also served as a Coatesville City Councilman for four years and was eventually elected Chester County GOP chair. In 1996, he was elected Chairman of Pennsylvania s Republican Party where he became one of the longest-serving chairmen in history. In this role, he was the architect of nearly a decade of Republican dominance in

statewide elections and was regularly recognized on PoliticsPA.com s Power 50 List. Mr. Novak s political commentary has appeared in the pages of The New York Times, The Wall Street Journal, and The Washington Post as well as on CNN, Fox, ABC, MSNBC, PBS, Philadelphia talk radio programs, and many of Pennsylvania s local news programs. During the last several campaign seasons, Mr. Novak and Mr. Rooney have shared a regular column in the Philadelphia Inquirer. Mr. Novak served four years on the Pennsylvania Racing Commission, including a cycle as the Commission s Chair. He served as a member and chair of the Board of Trustees of Ursinus College, and for the past decade has been the Executive Director of the Professional Dairy Managers of Pennsylvania. He has also served as a member of the Board of Independence Blue Cross, and he now chairs the Independence Health Group Public Affairs Advisory Board. The Board has determined that Mr. Novak s vast legal and political expertise qualify him to serve on the Board and on the Audit and Compensation Committees.

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Noble C. Quandel, Jr., age 71, became a director on March 1, 2015, pursuant to the Agreement and Plan of Merger, dated August 27, 2014, by and between Mid Penn Bancorp, Inc. and Phoenix Bancorp, Inc. Mr. Quandel joined the Phoenix Bancorp, Inc. Board in 2004, where he served most recently as Vice Chairman. Mr. Quandel is Chairman and Chief Executive Officer of Quandel Enterprises, Inc. in Harrisburg, PA, a company that provides construction, construction management, engineering and development services in the Mid-Atlantic and Mid-West regions. Mr. Quandel is a graduate of Bloomsburg University. Upon graduation, he continued working in the company business with his parents and assumed the position of President and Chief Executive Officer from his father in 1976. Under his management, the Company has grown to operate twelve offices in a geographical area which encompasses the Mid-Atlantic and Mid-West regions. Mr. Quandel currently serves on the Board of Directors of the Northeastern Pennsylvania Alliance (NEPA), the Board of Directors of Schuylkill Economic Development Corporation, Keystone Contractors Association and the Minersville Area Community Improvement Organization. He also serves on the Board of Directors for the Pottsville Area School District and is the President of the General Contractors Association of Pennsylvania. He has served as Past Chairman of the Easter Seals of Central Pennsylvania s inaugural Capital Campaign and has been active with Hawk Mountain Council of Boy Scouts of America for over 30 years. He has served as Chairman of the Hawk Mountain Council s Angel Dinner and is currently a member of their Executive Advisory Board. Mr. Quandel has been a guest lecturer at Bucknell University, Bloomsburg University School of Business and The Pennsylvania State University. He is a past member of the Board of Directors of Pennsylvania National Bank and is also Past Chairman of the Board of Directors of Keystone Contractors Association and Schuylkill Economic Development Corporation. He is a past member of the Board of Directors of Capital Region Economic Development Corporation and Schuylkill Chamber of Commerce. In 2002, Mr. Quandel was the recipient of the Torch of Liberty Award from the Anti-Defamation League of B nai B rith, which celebrates families with a tradition of community service who have passed the torch of good deeds, leadership and philanthropy to the next generation. The Board has determined that Mr. Quandel s vast knowledge of business operations and his community involvement qualify him to serve on the Board and on the Audit, Compensation and Executive Committees and as Chairman of the Real Estate Committee. Mr. Quandel also serves as Chairman of the Bank s Schuylkill County Business Development Advisory Board.

Class B Directors (to serve until 2021)

Steven T. Boyer, age 56, has been a director since 2011. Mr. Boyer is President of the Cutting Tool Divisions of Alvord-Polk, Inc. in Millersburg, PA. He is a College of Business graduate from The Pennsylvania State University. Mr. Boyer has strategically planned with his own business and has developed budgets and oversees the operation of three manufacturing facilities. He has an extensive background in budgeting, marketing and management. He has served in many leadership roles within the community and has either served or chaired many budget committees. Mr. Boyer is a member of the National Aerospace Standards 897 & 898 Technical Committees, a Director on the Board of the United States Cutting Tool Institute and a member of Gideons International. He formerly served as a Board member of the Maroon & Gold Foundation, President of the Millersburg Area Chamber of Commerce, a member of the Consumer Advisory Board of Capital Blue Cross, School Board Director and Budget Committee Chairman of the Millersburg Area School District, Assistant and Head Coach of the Millersburg High School varsity football team and a member and President of the Millersburg Lions Club. He also served as Millersburg School District s representative and Budget Committee Chairman at Harrisburg Area Community College. The Board has determined that Mr. Boyer s vast business experience and community involvement qualify him to serve on the Board and on the Compensation Committee, adding value to the Corporation.

Kimberly J. Brumbaugh, age 49, became a director on February 27, 2019. Ms. Brumbaugh is the Chief Executive Officer and founded Brumbaugh Wealth Management, LLC (formerly known as Brumbaugh Wealth Management Group) in 2004 after having worked in the industry for a Philadelphia firm since 1998. This was a career change after transitioning from the automotive industry where she managed a department of thirty employees for many years while

attending Widener University at night for Business Administration. She continued her education at the American College in Bryn Mawr, PA where she earned her securities licenses and certifications in Financial Services.
Ms. Brumbaugh has served on community boards for more than two decades, currently as Immediate Past Chairman of the Chester County Chamber of Business and Industry and is the past Chairman of the Southeastern Pennsylvania Autism Resource Center SPARC . In addition, she supports her industry as a member of Lincoln Financial Group s Business

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Intelligence Institute, Million Dollar Round Table- Top of the Table, and the Financial Planning Association. Ms. Brumbaugh s firm manages over $250MM in client assets, received the 2018 Velocity 50 Award for being among the fifty fastest growing companies in the Philadelphia area, and was recognized in January 2019 as a Top Wealth Manager in the Wall Street Journal. The Board has determined that Ms. Brumbaugh s extensive knowledge in business operations, development of employees, financial management, leadership and community involvement qualifies her to serve on the Board.

Gregory M. Kerwin, age 68, has been a director since 1999. He is the senior partner of Kerwin & Kerwin, LLP, a small family law firm in Elizabethville, PA that has been serving clients in Central Pennsylvania since 1945. He is a member of the Pennsylvania Bar Association and former director and current member of the Dauphin County Bar Association. He is admitted to practice before all courts in Pennsylvania, the United States Middle District Court and the U.S. Supreme Court. The focus of his firm is on real estate, estates and trusts, commercial and municipal law. During his legal career, he has served as solicitor for numerous townships, boroughs and municipal authorities in Dauphin and Schuylkill Counties. His firm currently represents nine municipal governments. Mr. Kerwin has served on the Board of Directors of the Miners Bank of Lykens, the Dauphin County General Authority, Villa Teresa Nursing Home, Reiff & Nestor Company in Lykens, the Lykens Community Development Corporation, Goodwill Industries of Elizabethville, the Finance Council for the Catholic Diocese of Harrisburg and the Elizabethville Bicentennial Steering Committee. He is a member of the Lykens Chamber of Commerce. A licensed commercial pilot and former certified flight instructor, Mr. Kerwin serves as co-trustee for Bendigo Airport, a public use airport in Tower City, PA. He is a graduate of The Pennsylvania State University and lifetime member of the alumni association and Nittany Lion Club. He earned his Juris Doctorate from the Dickinson School of Law in Carlisle, PA. Mr. Kerwin is a member of Our Lady of Help Christians Church in Lykens, where he has served as an usher and Eucharistic Minister. Because of his legal expertise and his knowledge of the Bank s local communities, the Board has determined that Mr. Kerwin adds value to the Corporation and is qualified to serve on the Board, as well as on the Executive and Real Estate Committees.

Robert E. Klinger, age 61, has been a director since 2012. Mr. Klinger is retired, and was formerly the President of Klinger Lumber Company, Inc., a family-owned business in Elizabethville, PA. As President, Mr. Klinger is involved in all aspects of the business including sales, marketing, inventory management, accounts receivable, accounts payable, human resources, safety programs and financial report analysis. He holds a degree in Marketing from Shippensburg University. From 1979 to 1991, he served as General Manager of a family-owned farming operation in Stanfield, AZ. Mr. Klinger is President of the Elizabethville Community Volunteer Association and served on the Executive Board of the Elizabethville Area Bicentennial Committee. He previously served as Treasurer of the Northern Dauphin Revitalization Project. The Board has determined that Mr. Klinger s extensive knowledge of business operations and his service to the community qualify him to serve on the Board as well as on the Audit Committee.

Rory G. Ritrievi, age 55, has been a director since 2009. On February 25, 2009, Mr. Ritrievi joined the Corporation and the Bank as President and Chief Executive Officer. Mr. Ritrievi has worked in the financial services industry for more than 33 years. He previously served as Senior Executive Vice President/Market President and Chief Lending Officer of Commerce Bank/Harrisburg, where he managed all aspects of the customer experience including the retail network, lending, marketing and public relations. As Chief Lending Officer, Mr. Ritrievi was responsible for loan production, credit quality and credit administration. Mr. Ritrievi holds a Juris Doctor from Widener University School of Law and a Bachelor of Arts Degree in Economics from the University of Pittsburgh. He is a licensed, but non-practicing attorney in the state of Pennsylvania. He is currently serving on the Advisory Board for Widener Law Commonwealth s Business Advising Certificate Program and on the Board of Directors of the Harrisburg Area YMCA. He previously served on the Federal Reserve Bank of Philadelphia s Community Depository Institution Advisory Council and on the Board of Directors of the Pennsylvania Association of Community Bankers. Because of

his banking experience, his educational background and leadership skills, the Board concluded that Mr. Ritrievi is the right person to lead the Corporation and the Bank and that these attributes qualify him to serve as President and Chief Executive Officer and Board member of the Corporation and the Bank, and as a member of the Executive and Real Estate Committees. Mr. Ritrievi has been a valuable addition to the Corporation and the Bank.

David E. Sparks, age 74, became a director on August 1, 2018, pursuant to the Agreement and Plan of Merger, dated January 16, 2018, by and between Mid Penn Bancorp, Inc. and First Priority Financial Corp. Mr. Sparks serves as Market Chairman, First Priority Division of Mid Penn Bank, and Strategic Advisor to the CEO. He was the Founder, Chairman and Chief Executive Officer of First Priority Bank in 2005 and Chairman and Chief Executive Officer of First Priority Financial Corp., the parent company of First Priority Bank since its formation in 2007. Mr. Sparks is a graduate

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of Furman University and attended Harvard University s Advanced Management Program (AMP). He has over 40 years of bank management experience with an emphasis on finance and capital markets, mergers and acquisitions and strategic planning. Prior to forming First Priority, Mr. Sparks was Founder, Chairman and Chief Executive Officer of Millennium Bank where he led the company s development, its acquisition of Cumberland Advisors, Inc. in 2003 and Millennium s subsequent sale to Harleysville National Corporation in 2004. Prior to the formation of Millennium Bank, Mr. Sparks served as Vice Chairman, Chief Financial Officer, and Director of Meridian Bancorp, Reading, PA. Mr. Sparks currently serves on the Board of Directors of Cumberland Advisors, Inc., an asset management firm headquartered in Sarasota, Florida, and on the Chester County Chamber of Business and Industry Committee. The Board has determined that Mr. Sparks extensive banking experience qualifies him to serve on the Board and the Real Estate Committee, adding great value to the Corporation.

Class C Directors and Class C Director Nominees (to serve until 2022)

Robert A. Abel, age 60, has been a director since 2011. Mr. Abel, a Certified Public Accountant and Certified Specialist in Estate Planning, is a Principal, Shareholder and a member of the Board of Directors of Brown Schultz Sheridan & Fritz, in Camp Hill, PA. This regional CPA firm with two offices provides tax, audit and consulting services. Mr. Abel has written many articles and participated in seminars on the topics of estate planning, wealth transfer and financial planning for the closely held corporation. He received a Bachelor of Science Degree from Shippensburg University, from which he graduated Summa Cum Laude. He is a member of the American Institute of Certified Public Accountants, the Pennsylvania Institute of Certified Public Accountants and the National Association of Estate Planners & Councils. He served as past Chairman of the Harrisburg YMCA and assisted in founding a non-profit organization. The Board has determined that Mr. Abel s vast knowledge in the accounting industry qualifies him to serve as a member of the Board, as Financial Expert of the Audit Committee, Chairman of the Nominating and Corporate Governance Committee and as a member of the Compensation Committee, adding great value to the Corporation. Mr. Abel also serves as Chairman of the Bank s Lancaster Business Development Advisory Board.

Matthew G. DeSoto, age 42, has been a director since 2008. In 2013, Mr. DeSoto became President and Chief Executive Officer of MI Windows and Doors, LLC, based in Gratz, PA. He previously held numerous sales and operational roles since joining the business in 1999. MI Windows and Doors is a leading fabricator of window and patio door products designed for residential and light commercial projects throughout the United States. Mr. DeSoto serves on the Penn State Health Four Diamonds Fund Advisory Board, the Board of the MI Charitable Foundation and is an active member of the Young Presidents Organization. Mr. DeSoto attended The Pennsylvania State University pursuing a Bachelor of Science Degree in Marketing. The Board has determined that as President and Chief Executive Officer of MI Windows and Doors that Mr. DeSoto s knowledge in all aspects of business operations is an asset to the Corporation and qualifies him to serve on the Board. Mr. DeSoto serves on the Compensation and Nominating and Corporate Governance Committees.

Joel L. Frank, age 57, became a director on August 1, 2018, pursuant to the Agreement and Plan of Merger, dated January 16, 2018, by and between Mid Penn Bancorp, Inc. and First Priority Financial Corp. Mr. Frank joined the First Priority Board in 2017. Mr. Frank is Chairman, Managing Partner and Executive Committee Chairman of Lamb McErlane PC, in West Chester, PA, concentrating his practice in commercial and civil litigation in state and federal courts, election law as well as attorney discipline, judicial discipline and ethical matters. He is rated AV Preeminent by Martindale-Hubbell and has been named a Pennsylvania Super Lawyer for general litigation every year starting in 2005, which is an annual recognition obtained by only 5% of Pennsylvania s attorneys. Mr. Frank provides general counseling to a number of business and individual clients and often serves as an arbitrator and mediator. Prior to joining Lamb McErlane, he was a partner at a large Center City Philadelphia law firm. Mr. Frank serves as Chair of the National Board of Directors for Alex s Lemonade Stand Foundation and is on the Board of Directors of the Zoological Society of Philadelphia (Philadelphia Zoo). He is a Commissioner on the Pennsylvania State Athletic

Commission and is General Counsel for the Republican Party of Pennsylvania. Mr. Frank was the longtime Solicitor for the Republican Committee of Chester County. He for years has served as the Solicitor for the Chester County Police Chiefs Association. Most recently, Mr. Frank was recognized by the Chester County Council of the Boy Scouts of America as the 2018 Distinguished Citizen of the Year. The Board has determined that Mr. Frank s legal expertise and extensive community involvement qualify him to serve on the Board.

Theodore W. Mowery, age 60, has been a director since 2003. Mr. Mowery is a partner with Gunn Mowery, LLC in Lemoyne, PA. He is a licensed agent in life, health, property and casualty insurance and holds Securities Series 6

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and 63 licenses. Mr. Mowery is a founding partner of Gunn Mowery LLC, who currently employs 70 people and manages insurance and employee benefit programs for over 10,000 clients. He is a founding partner in Gaughen Insurance, Inc. and is also a partner in Gunn Mowery Properties, LLC, a real estate holding company. Mr. Mowery is a member of the National Association of Insurance and Financial Advisors and the Estate Planning Council of Central Pennsylvania. He formerly served as President of the Camp Hill School Board, President of the Mental Health Association of Cumberland, Dauphin and Perry Counties, a past Board member of the Capital Region Economic Development Council, the Lion Foundation and the West Shore Country Club. Mr. Mowery has a Bachelor of Arts Degree from Gettysburg College. Due to his vast knowledge of the insurance services industry and his experience in managing all aspects of his company, the Board has determined that Mr. Mowery adds value to the Corporation and is qualified to serve as a member of the Board and Chairman of the Compensation Committee.

Patrick M. Smith, age 63, became a director on August 1, 2018, pursuant to the Agreement and Plan of Merger, dated January 16, 2018, by and between Mid Penn Bancorp, Inc. and First Priority Financial Corp. Mr. Smith joined the First Priority Board in 2008 and was a director and original co-organizer of Prestige Community Bank, a small community bank serving the Bucks and Montgomery County areas, which later merged with First Priority. He served as the Chairman of First Priority s Audit Committee from 2016 to 2018. Mr. Smith is the Managing Partner with Rosenberg, Smith, Cooney & Migliore, P.C., a certified public accounting firm in Bensalem, PA. He received his Bachelor s Degree in Accounting from St. Joseph s University in 1977 and began his career in public accounting with the firm in 1978 and became a partner in 1991. He is a member of the American Institute of Certified Public Accountants, the Pennsylvania Institute of Certified Public Accountants and the Pennsylvania Society of Tax and Accounting Professionals. Mr. Smith is a Board member of Valley Athletic Association in Bensalem, PA and a long-time softball, baseball and soccer coach. He is the President and co-founder of the Smith Memorial Scholarship Fund, which provides scholarships to deserving students in the Philadelphia area in memory of his parents. He is a member and former Treasurer of Business Networking Associates (BNA), a small business networking group, and a member of St. Mary Medical Center Foundation s 1973 Society, St. Mary Medical Center Foundation s Ambassador Circle and St. Joseph University s Barbelin Society. The Board has determined that Mr. Smith s accounting and auditing expertise and community involvement qualify him to serve on the Board, the Real Estate Committee and as Financial Expert of the Audit Committee.

William A. Specht, III, age 57, has been a director since 2006. Mr. Specht is President and Chief Executive Officer of Seal Glove Manufacturing, Inc. and Ark Safety, and serves on the Board of Directors. As President and Chief Executive Officer of his business affiliations, Mr. Specht is knowledgeable in all aspects of business operations. Mr. Specht was appointed by the Dauphin County Commissioners to serve on the Dauphin County Planning Commission. Mr. Specht previously served as a Board member of MANTEC, a non-profit corporation, a member of the Consumer Advisory Board of Capital Blue Cross and as a School Board Director of the Millersburg Area School District. Mr. Specht is an active member of the Millersburg community and has served and continues to serve in various capacities with various organizations. The Board has determined Mr. Specht s knowledge and management of his business affiliations add value to the Corporation and qualify him to serve on the Board. In 2012, Mr. Specht was appointed Vice Chairman of the Board of the Corporation and the Bank. Mr. Specht serves on the Executive, Audit, Compensation and Real Estate Committees.

Compensation of the Board

The Bank participates in the American Bankers Association Compensation & Benefits Survey, which includes a survey of director fees and benefits. The Bank also periodically conducts a survey of director fees, committee fees and other director compensation of banks that are similar in size and in similar markets to the Bank. The Compensation Committee reviews these surveys and recommends to the full Board any changes to the compensation of Board members for the upcoming year. The Board has final approval of the compensation of its directors. Board members,

with the exception of the Chairman and Vice Chairman, received an annual Board fee of $30,000 for the year 2018. The Chairman and Vice Chairman received an annual fee of $65,000 and $45,000, respectively. Non-employee Board members are paid $500 for each Independent Board Meeting and Committee Meeting attended, with the exception of the Audit Committee, whose members receive $600 per meeting attended. Mr. Noone serves on the Bank s Asset/Liability Committee as a Board representative and receives $250 for attending meetings, of which there were four held in 2018. Mr. Ritrievi and Mr. Sparks did not receive an annual fee for serving on the Board nor did they receive any fees for attending committee meetings. In 2018, the Board was paid $560,900, in the aggregate, for all Board fees and fees for committee meetings attended. Additionally, Messrs. Abel, Moisey and Quandel were paid $500, $500 and $250, respectively, for attending Mid Penn Bank Business Development Advisory Board Meetings.

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On July 25, 2018, each non-employee Director who was serving on the Board at that time was granted 400 shares of the Corporation s common stock, with a fair market value of $33.50 per share, or $13,400, as part of his compensation. These awards were granted with a one-year vesting restriction.

The Bank maintains a deferred fee plan for directors, which enables a director to annually elect to defer payment of his fees until he terminates service on the Bank s Board. For 2018, the maximum amount each director could defer was 100% of his annual director s fee. Participating directors may elect to receive either a lump sum or equal monthly installments in an amount equal to his deferral account (plus interest) upon retirement, early termination, disability, change in control or a hardship. If a director dies before distribution of his deferral account commences, his designated beneficiary is entitled to receive the amounts in his deferral account or the projected account balance at the time the Bank adopted the deferred fee plan (limited by the amount of net coverage purchased by the Bank), whichever is greater. For 2018, Messrs. Boyer, Klinger and Mowery each deferred $15,000; Mr. Abel deferred $18,000; Mr. Noone deferred $30,000; and Chairman Grubic deferred $50,000.

In May 1995, the Bank adopted the Mid Penn Bank Director Retirement Plan, which we refer to as the Director Retirement Plan. Under the Director Retirement Plan, Bank directors who terminate their service on the Board other than for cause with at least five years of service are eligible to receive a retirement benefit. The five-year service requirement is waived if a director s service is terminated for disability or within 90 days of a change in control. The annual benefit is determined by multiplying the base retirement amount for the director s position ($626.09 for the Chairman, $313.05 for all other directors, which reflect the inflationary adjusted rates for 2018) by the number of full years the member served. The plan contains an annual inflationary adjustment provision. Benefits are paid in cash on a quarterly basis and continue for 60 quarterly payments or until the director s death, if earlier.

The following table summarizes the total compensation that non-employee directors earned for service as directors of the Corporation and the Bank for the year ended December 31, 2018.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (2)	Total ($)
Robert A. Abel	37,900 (3)	13,400	3,363	54,663
Steven T. Boyer	38,000	13,400	3,082	54,482
Matthew G. DeSoto	42,700	13,400	2,356	58,456
Joel L. Frank	14,000 (4)			14,000
Robert C. Grubic	77,500	13,400	7,692	98,592
Gregory M. Kerwin	37,500	13,400	3,903	54,803
Donald F. Kiefer	36,000			36,000
Robert E. Klinger	34,800	13,400	3,451	51,651
Robert J. Moisey	37,900 (3)	13,400		51,300
Theodore W. Mowery	40,500	13,400	3,374	57,274
John E. Noone	40,300	13,400	3,320	57,020
Alan P. Novak	14,100 (4)			14,100
Noble C. Quandel, Jr.	37,450 (3)	13,400		50,850
Patrick M. Smith	13,600 (4)			13,600
William A. Specht, III	59,900	13,400	3,157	76,457

(1) Amounts reflect the 400 shares of restricted stock granted to non-employee directors on July 25, 2018 based on the fair value of the common stock on the grant date ($33.50 per share).

(2) Amounts reflect the present value of the amount accrued to the directors in 2018 for the Mid Penn Bank Director Retirement Plan.

(3) Includes $500 in fees paid to each Mr. Abel and Mr. Moisey, and $250 paid to Mr. Quandel, for attending the Bank s Business Development Advisory Board Meetings.

(4) Fees earned are for the period from the First Priority acquisition date of July 31, 2018 through December 31, 2018.

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our Key 2018 Business Accomplishments

The past year was a very successful and transformative one for Mid Penn. As we look back on 2018 as an organization, we are extremely proud of the following key accomplishments:

Key Strategic Accomplishments:

- Successful completion of the merger acquisitions of The Scottdale Bank & Trust Company and First Priority Financial Corp., demonstrating to regulators and potential future targets our executive management team s ability to successfully close transactions and integrate operations.
- Through a combination of acquisitions and the opening of new, strategically located de novo branches, expanded our geographic footprint across Pennsylvania with 38 total offices.
- Selected for inclusion in the broad-market Russell 3000® Index, raising the profile of the Corporation with analysts and investors.

Key Financial Accomplishments:

- Organic loan growth of $170 million, or 17%.
- Total assets grew to $2.1 billion, representing a 78% increase over 2017.

Key Balance-Sheet Accomplishments:

- Successfully completed the redemption of $3.4 million in preferred stock issued in the First Priority acquisition.

In making its compensation decisions for 2018, the Compensation Committee desired to both recognize the efforts of the executive management team in guiding the Corporation to achieving the foregoing milestones, as well as ensure that such team members remained motivated to stay with the organization in the face of intense competition for talented leadership.

Compensation Program Authority and Objectives

The Board has delegated the task of administering Mid Penn s compensation program to the Compensation Committee. The Committee s primary responsibility is to assure that the compensation structure and components for executive officers of the Corporation and its subsidiaries are designed to (i) align with the interests of our shareholders

and the strategic goals of the Corporation and its subsidiaries, (ii) attract and retain highly-qualified executives who are motivated to achieve high levels of performance, both short-term and long-term, (iii) be competitive with compensation programs of peer institutions, (iv) not encourage undue risk-taking which would negatively affect the safety and soundness of the Corporation and its subsidiaries, and (v) comply with the requirements of the appropriate regulatory bodies.

This Compensation Discussion and Analysis describes the key elements of our compensation program for our named executive officers. For the year 2018, our named executive officers are:

Rory G. Ritrievi, President and Chief Executive Officer of the Corporation and Bank

Michael D. Peduzzi, Senior Executive Vice President and Chief Financial Officer of the Corporation and Bank

Justin T. Webb, Senior Executive Vice President and Chief Operating Officer of the Bank

Scott W. Micklewright, Senior Executive Vice President and Chief Revenue Officer of the Bank

Joseph L. Paese, Executive Vice President and Director of Trust and Wealth Management of the Bank

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Compensation Program Design Overview

The main elements of compensation for 2018 for the named executive officers were base salary, short-term incentives and bonuses, and restricted stock awards. Such elements are consistent with the Corporation s compensation objectives to align with the long-term growth and sustained earnings objectives of shareholders, and our ability to attract and retain highly-qualified executives.

Management s Input Involving the Compensation Program

The Compensation Committee considers the views and recommendations of the Chief Executive Officer in making compensation decisions affecting executive officers who report to him. The Chief Executive Officer s role in recommending compensation and compensation programs is to develop and recommend appropriate performance measures and targets for each individual, to report on the respective individual s performance, to provide data and background material to enable the Compensation Committee to assess the labor market and to make specific recommendations on each named executive officers respective salary. The Chief Executive Officer does not recommend his own salary and is not present during the Compensation Committee s or Board s discussions or decisions regarding his specific compensation.

Additionally, members of Finance and Human Resources management periodically provide the Chief Executive Officer and the Compensation Committee with peer analyses, which compile compensation program data disclosed by other peer banks in their respective SEC filings, in order for the Compensation Committee to assess the competitive market for executive compensation, and the consistency of the Corporation s elements and amount of executive compensation with those of similarly-profiled peer banks.

Compensation Consultant s Role in Determining Compensation

In 2018, the Compensation Committee re-engaged the independent consulting firm, Meridian Compensation Partners, LLC, which specializes in executive and board compensation. (Meridian previously provided a compensation analysis in 2016.) In connection with the engagement, Meridian provided relevant peer data analysis and advice for consideration by the Committee in evaluating compensation for the named executive officers. The following peer group comprised of commercial banks with assets ranging between $1 billion and $4 billion was used in Meridian s analysis:

CNB Financial Corporation	Bankwell Financial Group, Inc.
Access National Corporation	ESSA Bancorp, Inc.
Arrow Financial Corporation	American National Bankshares, Inc.
Old Line Bancshares, Inc.	Codorus Valley Bancorp, Inc.
Enterprise Bancorp, Inc.	Chemung Financial Corporation
Southern National Bancorp of Virginia, Inc.	MVB Financial Corp.
Republic First Bancorp, Inc.	Orrstown Financial Services, Inc.
BCB Bancorp, Inc.	First Bank
First Community Bankshares, Inc.	Community Financial Corporation
Peoples Financial Services Corp.	Penns Woods Bancorp, Inc.
Howard Bancorp, Inc.	ACNB Corporation
Summit Financial Group, Inc.	Unity Bancorp, Inc.

Cambridge Bancorp

Results of Shareholder Say on Pay Vote in Determining Compensation

The Compensation Committee reviewed the shareholder response to the Say on Pay Vote in the Proxy Statement dated March 29, 2018. The Compensation Committee considers the shareholders voted level of approval of executive compensation relative to both the current year, and the shareholder approval trends over several years, as a key input when reviewing whether to significantly change the Corporation s compensation policies and practices.

CEO Pay Ratio Disclosure

In 2015, the Securities and Exchange Commission adopted a rule that required certain public companies to disclose, for the first fiscal year beginning on or after January 1, 2017, the ratio of the compensation of the CEO to the median compensation of its other employees. This CEO pay ratio rule, which was mandated by the Dodd-Frank Wall

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Street Reform and Consumer Protection Act, provides companies with some flexibility in calculating this pay ratio, such as selecting the methodology for identifying its median employee and that employee s compensation, and choosing a date for determining the median employee within the last three months of a company s fiscal year.

For the Corporation, the median employee was determined using a census of all full-time and part-time employees as of November 30, 2018, which totaled 402 personnel excluding the CEO. The annual total compensation for all employees on this census was calculated using the same pay elements shown for the CEO in the Summary Compensation Table 2018 on page 26. The primary elements of this 2018 total compensation calculation included base salary/wages, bonuses and incentive compensation, employer matching contributions to the Corporation s 401(k) plan, restricted stock grants, auto allowances, and employer-paid life insurance premiums and nonqualified deferred compensation. For full-time employees who were hired during 2018, the base salary/wages element was annualized to determine the respective individual s total compensation.

As disclosed in the Summary Compensation Table 2018, the total compensation of the CEO for 2018 was $665,144. The 2018 total compensation of the median employee was $41,642. The resulting ratio of the CEO s total compensation to that of the median employee is 16.0 to 1.

Components of Compensation

Base Salary

Base salary levels are set to attract and retain executives who can further the Corporation s and Bank s strategic objectives and are motivated to achieve high levels of performance, both short-term and long-term. Base salary is the most significant component of the named executive officers compensation, and the Compensation Committee reviews it every year to determine whether the salary for each respective named executive officer is at an appropriate level when considering the relevant inputs. As mentioned above, the Chief Executive Officer reviews each named executive officer s performance, other than his own, in making salary recommendations to the Compensation Committee. The Chief Executive Officer and the Compensation Committee consider each named executive officer s general management performance; policy, procedure, and regulatory compliance; public relations; strategic objectives management; length of service with the Corporation and Bank; and the named executive officer s position and areas of responsibility in making its determination of the appropriate level of base salary. The Compensation Committee reviews the Chief Executive Officer s performance in making a salary recommendation to the Board.

Short-Term Incentives and Bonuses

The Corporation maintains an incentive compensation plan pursuant to which our named executive officers are eligible to receive bonuses or short-term incentive payments for the achievement of corporate performance goals and individual performance goals. Historically, in order to receive a payment under the plan, the named executive officer has to be employed prior to September 30th of the previous year and on the date of payout, and both the corporate and individual performance goals, which include actions that can only be taken by the named executive officer for the respective performance period, must be achieved. The short-term incentives paid to named executive officers were awarded in the first quarter of 2018, and a key input considered by the Compensation Committee in determining whether to recommend an award and the amounts thereof was the actual earnings performance of the Corporation for 2017 compared to the Board-approved targeted net income available to common shareholders. The Compensation Committee believed that this Board-approved 2017 earnings target was reasonably aggressive and difficult to achieve.

As a result of this favorable corporate performance, and considering each named executive officer s respective performance goals and achievements, the Compensation Committee awarded cash incentive payments of $90,000 to

Mr. Ritrievi, $45,000 each to Messrs. Peduzzi and Webb, $40,000 to Mr. Micklewright and $15,000 to Mr. Paese. These cash incentive payouts ranged from 7.9 percent to 20.0 percent of such executive s 2018 base salary amounts.

Restricted Stock Plan

The Corporation continues to make awards to named executive officers, other members of management and directors under the Mid Penn Bancorp, Inc. 2014 Restricted Stock Plan which was previously approved by the Corporation s shareholders. Restricted stock is common stock granted to an employee or director that does not vest until

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specific conditions are met. Typical conditions for employees receiving restricted stock grants include performance goals for the individual or the Corporation, and for the vesting thereof, the individual being required to remain employed with the Corporation or Bank for a specific number of years. Once the conditions are met, then the stock vests and the employee obtains the shares without restrictions. The Board believes that restricted stock awards can serve as an important element in attracting and retaining employees and directors who the Board expects to contribute to the Corporation s growth and success both in the near-term, and over the longer-term vesting period and beyond to realize benefits in the growth on the value of the stock in alignment with shareholder interests. By compensating employees and directors with shares of Corporation stock, the employees and directors have additional incentive to ensure that the Corporation is successful. Based on the recommendations of the Compensation Committee, the Board determines to whom specifically it grants restricted stock, as well as the timing and number of shares subject to the award. The number of shares of common stock which may be issued under the Restricted Stock Plan may not exceed 100,000 shares. The Compensation Committee may suspend or terminate the Restricted Stock Plan at any time and may amend the Restricted Stock Plan at any time provided that no such amendment may be made without shareholder approval if such approval is required by law, agreement or the rules of any exchange upon which the shares of common stock are listed. In addition, no such amendment, suspension or termination may impair the rights of participants in respect of then outstanding awards awarded under the Restricted Stock Plan without their consent.

Benefit Plans Available for All Employees

Certain benefit plans, including group insurance plans as described below, are not tied to Bank or individual performance. The cost of providing such plans to all eligible employees including named executive officers is viewed as a cost of doing business and not taken into account when determining specific compensation of the named executive officers.

Group Insurance Plans

The named executive officers participate in group insurance benefit plans that are generally available to all employees. These plans include group life insurance, group disability, health insurance and dental and vision benefits. Such plans are standard in the industry and in the geographic area for all industries, as well as necessary to compete for talented employees at all levels of the Bank. Under the group long-term disability plan, Messrs. Ritrievi, Peduzzi, Webb and Micklewright were unable to get the same percentage of coverage as other employees due to the maximum benefit provided for in the plan.

Retirement Plan

In an effort to encourage its employees, including the named executive officers, to save for retirement, the Bank has established a tax-qualified 401(k) retirement plan for employees. The Bank believes that it is important to assist employees in saving for retirement and believes that by providing a mechanism to save for retirement, and through Bank matching of certain employee contributions, the Bank is providing the named executive officers with a reasonable and industry-expected incentive to continue in the employ of the Bank.

Employee Stock Purchase Plan

The Corporation has a Board approved Employee Stock Purchase Plan (the Plan), which has been in place effective January 1, 2011, to provide eligible employees of the Corporation or the Bank, including the named executive officers, with an opportunity to purchase shares of common stock of the Corporation at fair market value through payroll deductions. The Plan provides participants with a convenient method to acquire an interest in the common stock of the Corporation and realize the benefits of their efforts toward the long-term performance and success of the

Corporation, thereby providing them an incentive in alignment with our shareholders interests.

Company Vehicle

Each of the named executive officers is provided a company vehicle. Provision of a company vehicle is standard in the financial services industry as executive officers frequently meet clients and business associates offsite.

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Accounting and Tax Treatments

The Compensation Committee and Finance management consider the accounting and tax consequences of the compensation program and its elements, both for the Corporation and the individual, prior to making any changes to the compensation structure. Section 162(m) of the Internal Revenue Code limits the deduction of compensation paid to the named executive officers if certain thresholds are exceeded. Based upon the current base salary and compensation structure, the Corporation does not believe that Section 162(m) limitations were triggered in 2018 for our named executive officers, but this may be applicable in future years dependent upon factors including legislative changes to the limits or applicability of this tax code section.

Material Differences in Named Executive Officers Compensation

The differential between salary levels for each of the named executives is primarily driven by their respective positions with consideration also given to the experience and time in their respective positions.

Employment, Change in Control, and Supplemental Executive Retirement Plan Agreements

Change in Control Agreements

The Corporation has entered into change in control agreements (each, an Agreement) with each of its named executive officers. Each Agreement is for a term of three years and shall renew for an additional year on each anniversary of signing, absent notice of non-renewal from either party.

In the event an executive s employment is terminated on or within twelve months after a change in control during the term of the Agreement either by the Corporation, other than for death or disability or for a reason other than cause (as defined in the Agreement), or by the executive after the occurrence of certain specified events of good reason described below, the Corporation will pay the executive, other than Mr. Ritrievi, a lump-sum cash payment equal to two times the executive s highest annual base salary in effect during the twelve months preceding the executive s termination of employment. For Mr. Ritrievi, he would receive a multiple of three. In addition, the executive and the executive s beneficiaries will remain eligible to participate, on the same terms and conditions as apply from time to time to the Corporation s executive management team, medical, vision and dental programs for two years (three years for Mr. Ritrievi), or a cash payment equal to the estimated after-tax cost to obtain such benefits, or substantially similar benefits, within thirty days following the executive s termination. Payments under the Agreement would be reduced to the extent necessary to avoid an excess parachute payment under Section 280G of the Internal Revenue Code. In the event that the executive becomes entitled to and receives benefits under the Agreement after a change in control, the executive will be subject to a six month non-solicitation covenant. In the event that the executive voluntarily terminates employment during the term of the Agreement prior to a change in control, the executive will be subject to non-compete and non-solicitation covenants for six months.

The specified events of good reason permitting an executive to terminate employment following a change in control and receive payments or benefits under the Agreement include: (i) a diminution in executive s authority, title, duties or responsibilities following a change in control from the authority, title, duties or responsibilities existing as of a change in control; (ii) requirement that the executive perform a substantial portion of his or her duties at a location more than 50 miles from executive s principal executive office on the date of the Agreement; or (iii) a diminution in executive s base salary and other compensation and benefits existing as of a change in control.

If, within ninety days after a termination of executive s employment that entitles such executive to payments under the Agreement, the Corporation s Board becomes aware of facts that, if known during the executive s employment, it

reasonably believes would have justified termination of such executive s employment for cause (as defined in the Agreement), the Corporation may refrain from paying any unpaid amounts due under the Agreement or require the executive to promptly, but in no event less than ninety days after notice to such executive of such determination by the Corporation s Board, repay any amounts previously paid or the value of any benefits previously received under the Agreement.

The Agreement with Messrs. Ritrievi, Peduzzi, Webb and Micklewright also provides that, in the event that the payments to be received by the executive, when taken together with payments and benefits payable to or on behalf of the

executive under any other plans, contracts or arrangements, will be subject to excise tax under Internal Revenue Code Section 4999, the executive will be entitled to receive an additional payment in an amount equal to such excise tax actually paid by the executive, without regard to any additional tax, interest or penalty payable by the executive on that additional amount (which amount we refer to in this proxy statement as a Limited Gross Up Payment). The Internal Revenue Code and regulations promulgated thereunder limit the deductibility by the Company of payments that are subject to the excise tax under Section 4999.

Employment Agreement with Mr. Ritrievi

On November 3, 2016, Mr. Ritrievi entered into an employment agreement with the Corporation and the Bank, which will be for a period of three years from November 3, 2016 and will automatically renew for a total of three years on each anniversary of November 3, 2016. The employment agreement provides that Mr. Ritrievi will serve as the Chief Executive Officer and President of the Corporation and the Bank, reporting to their respective Boards of Directors. During the term of the employment agreement, Mr. Ritrievi will serve on the Bank s Board and will be re-nominated for election to the Corporation s Board, with the Corporation s Board recommending such election to its shareholders, for any annual meeting of shareholders at which the Class of directors in which Mr. Ritrievi is serving will be elected. Mr. Ritrievi s service as Director of the Corporation, the Bank and any affiliate or subsidiary will immediately terminate upon the termination of his employment for any reason.

Under his employment agreement, Mr. Ritrievi is entitled to, among other things: (i) an annual base salary of at least $360,488, with any subsequent Board-approved increases to this amount being deemed to constitute amendments to the employment agreement to reflect the increased annual base salary amount; (ii) participate in any of the Corporation s short-term performance plans generally made available to executives of the Corporation or the Bank; (iii) such stock based incentives as may be granted from time to time by the Corporation s Board under the Corporation s stock based incentive plans and as are consistent with Mr. Ritrievi s responsibilities and performance; (iv) participate in a supplemental executive retirement plan under the terms and conditions as determined by the Bank s Board; (v) participate in or receive the benefits of any employee benefit plan currently in effect at the Bank, subject to the eligibility and terms of each such plan; (vi) certain other perquisites related to paid annual vacation, personal and sick days, and use of a Corporation automobile in accordance with the automobile policy as established from time to time by the Corporation or the Bank. In the event that Mr. Ritrievi becomes entitled to and receives benefits under the Agreement after a change in control, he will be subject to a twelve-month non-solicitation covenant. In the event that Mr. Ritrievi voluntarily terminates employment during the term of the Agreement prior to a change in control, he will be subject to non-compete and non-solicitation covenants for twelve months.

The employment agreement and Mr. Ritrievi s employment may be terminated for cause (as defined in the employment agreement) by written notice from the Corporation or the Bank. If the employment agreement is terminated for cause, Mr. Ritrievi s rights under the employment agreement terminate as of the effective date of termination. The employment agreement also terminates without further payments to Mr. Ritrievi as of the termination date, in the event of his voluntary termination of employment or death. In the case of his disability (as defined in the employment agreement), Mr. Ritrievi will become eligible for employer-provided short-term and/or long-term disability benefits, or worker s compensation benefits, in which case the Bank s obligation to pay Mr. Ritrievi his annual base salary will be reduced by such benefits. Under certain other types of disabilities set forth in the employment agreement, the employment agreement will terminate six months following a determination related to such disability by the Corporation s Board.

In the event that Mr. Ritrievi s employment is either involuntarily terminated other than for cause, death or disability, he will continue to receive his base salary in effect on the date of termination for a period equal to the greater of the remaining employment term or six months and participate in the Bank s life, disability, medical/health insurance and

other benefits substantially similar to those which Mr. Ritrievi was receiving during the year prior to the date of termination for the same period described above immediately following the date of termination, or a cash payment equal to the estimated after-tax cost to obtain such benefits, or substantially similar benefits. Additionally, if Mr. Ritrievi s employment is involuntarily terminated other than for cause, death or disability, he may elect, with respect to the automobile made available to him, to, as applicable, purchase such vehicle, assume the lease or return the vehicle to the Bank without any further liability.

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The employment agreement provides for the same Limited Gross Up Payment as that described under the heading, Change in Control Agreements above.

Supplemental Executive Retirement Plan Agreements

In the third quarter of 2018, the Bank entered into supplemental executive retirement plan agreements (SERPs) with Messrs. Ritrievi, Peduzzi, Webb and Micklewright. Each SERP provides for the monthly payment of a fixed cash benefit over a period of fifteen (15) years, commencing on the first day of the month following the executive s separation from service: (i) occurring on or after reaching normal retirement age (age 70); (ii) due to disability; (iii) due to death; or (iv) within two (2) years following a change in control of the Bank. One-half of the benefit vests on January 1, 2022, with an additional 10% vesting each January 1 thereafter until fully vested on January 1, 2027. Any unvested portion of the benefit fully vests upon a change in control of the Bank. The terms of the SERPs are identical for each executive, except for the amount of the annual benefit, which is as follows: Mr. Ritrievi - $125,000; Mr. Peduzzi - $90,000; and Messrs. Micklewright and Webb - $80,000. The Board of Directors of the Bank reserves the right to increase the amount of the benefit from time to time, in its discretion.

In order to ensure that the SERP provides the intended effect of incentivizing the executives to remain with the Corporation for the long-term and through a potential change in control of the organization, each SERP provides for the same Limited Gross Up Payment as that described under the heading Change in Control Agreements above. Without the promise of the Limited Gross Up Payment, but, rather, a cap on change in control benefits not to exceed that which would trigger excise tax, the SERP benefit would not be meaningful to the executive in the short-term because, in the event of a change in control of the Corporation, benefits payable under the SERP would be combined with the benefits payable under the executive s change in control agreement (and the value of certain other benefits to which the executive would be entitled, such as accelerated vesting of restricted stock), thereby either completely or materially reducing any potential payment under the SERP. The Limited Gross Up Payment is intended to preserve the benefit of the SERP to the executive, but is limited in that it does not provide for a full gross up of all tax incurred by the executive as a result of the triggering of his change in control benefits.

The SERP also contains non-competition and non-solicitation covenants substantially similar to those contained in the employment agreement to which Mr. Ritrievi is currently a party and the change in control agreement to which each of the other executives is a party. A violation of such covenants, except in limited circumstances, would result in the forfeiture of any unpaid benefits to the executive.

Risk Analysis of Compensation Practices and Policies

The Bank reviewed its compensation policies and practices for all employees and determined that they do not create risks that are reasonably likely to have a material adverse effect on the Corporation or Bank.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management, and, based on the review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Corporation s proxy statement.

Compensation Committee

Theodore W. Mowery, Chairman
Robert A. Abel
Steven T. Boyer

Matthew G. DeSoto

Alan P. Novak
Noble C. Quandel, Jr.
William A. Specht, III

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Corporation has no Compensation Committee interlocks. Messrs. Mowery, Abel, Boyer, DeSoto, Novak, Quandel and Specht constitute all of the directors who served on the Compensation Committee at any time during 2018. Each of them is an independent outside director. None of them is a current or former officer or employee of the Corporation. During 2018, the Bank engaged in customary banking transactions and had outstanding loans to certain of its directors, executive officers, members of the immediate families of certain directors and executive officers and their associates. These loans were made in the ordinary course of business and were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the lender. In the opinion of management, these loans do not involve more than normal risk of collectability or present other unfavorable features. Non-banking relationships that members of the Compensation Committee have had or maintain with the Corporation or Bank are described below under the heading, Certain Relationships and Related Transactions. Rory G. Ritrievi, President and Chief Executive Officer of the Corporation, attended Compensation Committee meetings only when and to the extent requested by the Committee. Mr. Ritrievi did not participate in determining his own compensation.

EXECUTIVE COMPENSATION

The following discussion provides details of the various components of executive compensation.

Summary Compensation Table

The following table summarizes the total compensation awarded or earned for services in all capacities to the Corporation or the Bank for the years ended December 31, 2018, December 31, 2017, and December 31, 2016, for the named executive officers (for the years ended December 31, 2018 and December 31, 2017 for Mr. Paese).

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SUMMARY COMPENSATION TABLE 2018

Name and Principal Position	Year	Salary ($) [1]	Bonus ($) [2]	Stock Awards ($) [3]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) [4]	All Other Compensation ($) [5]	Total ($)
Rory G. Ritrievi	2018	450,000		67,000		90,000	31,688	26,456	665,144
President & Chief	2017	373,670		39,975		60,000	2,958	24,582	501,185
Executive Officer	2016	371,986		24,825		35,000	2,864	24,921	459,596
Michael D. Peduzzi	2018	259,615		25,125		45,000	19,066	14,065	362,871
Senior Executive VP &	2017	210,016		13,325		20,000		9,532	252,873
Chief Financial Officer	2016	161,635	40,000	16,550				653	218,838
Justin T. Webb	2018	240,154		25,125		45,000	8,587	20,711	339,577
Senior Executive VP &	2017	189,298		13,325		25,000		16,425	244,048
Chief Operating Officer	2016	190,540		8,275		15,000		15,334	229,149
of the Bank									
Scott W. Micklewright	2018	240,154		25,125		40,000	8,700	20,074	334,053
Senior Executive VP &	2017	194,900		13,325		25,000		13,061	246,286
Chief Revenue Officer	2016	196,369		8,275		15,000		10,502	230,146
of the Bank									
Joseph L. Paese	2018	188,731	17,185	16,750		15,000		16,631	254,297
Executive VP &	2017	183,462	17,185	13,325		12,000		15,226	241,198
Director of Trust and									
Wealth Management									
of the Bank									

(1) With the exception of Mr. Peduzzi, all salaries paid to the Executive Officers listed were based on 27 pay periods in 2016. (In most years, including 2018 and 2017, there were 26 pay periods.) Mr. Peduzzi was hired on March 21, 2016; therefore, his salary reflects his partial year of employment with us.

(2) This amount represents a signing bonus that we awarded to Mr. Peduzzi in connection with his commencement of employment with us. This amount represents the partial vesting of a $50,000 signing bonus that we awarded to Mr. Paese in connection with his commencement of employment with us on April 11, 2016, which vests at the rate of one-third on each anniversary of his hiring date.

(3)

We calculated these amounts using the provisions of ASC Topic 718. Amounts represent the full grant date fair value of the restricted stock awards granted on July 25, 2016, July 25, 2017 and July 25, 2018. Generally, the shares of restricted stock granted vest 25% on each anniversary of the date of grant (each, a vesting tranche), but only if such named executive officer remains continuously employed through the applicable anniversary date. We include the assumptions used in the calculation of these amounts in the footnotes to our audited financial statements included in our respective Annual Report on Form 10-K for the fiscal years ended December 31, 2016, 2017 and 2018.

(4) Represents the aggregate increase of $3,047, $2,958, and $2,864 in the present value of the officer s accumulated benefit under the Director Retirement Plan for Mr. Ritrievi in 2018, 2017, and 2016, respectively, and reflects the change in the present value of future benefits payable under Supplemental Executive Retirement Plans (SERPs), described on page 24 and further disclosed under the heading Nonqualified Deferred Compensation Table.

(5) Includes the amounts on the following table that we paid to or on behalf of the named executive officers during 2018.

Summary of All Other Compensation 2018

	Ritrievi	Peduzzi	Webb	Micklewright	Paese
401(k) Match	$ 11,000	$ 11,000	$ 9,200	$ 9,401	$ 7,549
Life Insurance	$ 783	$ 783	$ 783	$ 783	$ 656
Personal Use of Company Vehicle	$ 4,211	$ 1,707	$ 4,403	$ 3,528	$ 2,614
Disability Premium Reimbursement	$ 4,371				
Medical Waiver			$ 1,040		
Tax Reimbursements	$ 365				
Country Club Memberships	$ 5,651		$ 4,560	$ 5,787	$ 5,237
Other Miscellaneous Compensation	$ 75	$ 575	$ 725	$ 575	$ 575
Total	$ 26,456	$ 14,065	$ 20,711	$ 20,074	$ 16,631

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Retirement Plans

The Corporation does not maintain a defined benefit pension plan for its employees. Mr. Ritrievi, however, participates in the Director Retirement Plan in connection with his service on our Board. We describe the Director Retirement Plan under the caption Compensation of the Board.

The Bank also maintains the Mid Penn Bank Retirement Plan, which is a defined contribution plan and covers all eligible Bank employees, including the named executive officers. The Retirement Plan also has a 401(k) provision for all eligible Bank employees. Eligible employees are entitled to receive a share of the Bank s discretionary profit sharing contribution to the plan for a year if they are Bank employees on December 31st of that year. For 2018, the Board approved a 401(k) safe harbor matching contribution rate of 100% on the first 3% of the employee deferral contributions plus 50% on the next 2% of the employee deferral contributions, up to a maximum Bank contribution of 4%. The Board may adjust its matching rate on an annual basis at its discretion.

The Board makes discretionary contributions to the Retirement Plan based on the recommendation of the Compensation Committee. The Corporation did not make a discretionary profit-sharing contribution for 2018. Distribution under the plan can be made to participating employees upon retirement, either normal or early retirement as defined in the plan, at death or disability of the participating employee or upon severing employment if either partially or fully vested. The Retirement Plan s discretionary contributions and non-safe harbor contributions are subject to vesting at the rate of 20% per year after the first two years of service with 100% vesting after six full years of service. The 401(k) safe harbor matching contributions are 100% vested when made. Participants are always 100% vested in their own 401(k) contributions. As of December 31, 2018, each of the named executive officers was 100% vested in their discretionary accounts.

Stock Awards

The following table sets forth information concerning outstanding equity awards held by each named executive officer as of December 31, 2018.

Outstanding Equity Awards at Fiscal 2018 Year End

	Stock Awards	
Name	**Number of Shares or Units of Stock that have not Vested (#)**	**Market Value of Shares or Units of Stock that have not Vested ($)**
Rory G. Ritrievi	4,125	94,958
Michael D. Peduzzi	1,625	37,408
Scott W. Micklewright	1,500	34,530
Justin T. Webb	1,500	34,530

Joseph L. Paese	1,625	37,408

On July 25, 2018, we awarded restricted stock to each of our named executive officers under the Restricted Stock Plan, which we describe above under the caption Restricted Stock Plan. Each named executive officer s shares vest 25% on each anniversary of the date of grant (each, a vesting tranche), but only if the named executive officer remains continuously employed through the applicable anniversary date. In general, a participant will forfeit shares then unvested upon his or her termination of employment for any reason. Upon a participant s death, the participant will vest in unvested shares with respect to the vesting tranche in the year of the participant s death as if the participant remained employed.

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The following table sets forth the number of shares acquired upon the vesting of stock awards by our named executive officers during the fiscal year ended December 31, 2018.

Option Exercises and Stock Vested 2018

	Stock Awards	
Name	**Number of shares acquired on vesting (#)**	**Value realized on vesting ($)**
Rory G. Ritrievi	1,125	37,369
Michael D. Peduzzi	375	12,563
Scott W. Micklewright	475	15,658
Justin T. Webb	475	15,658
Joseph L. Paese	500	16,750

Pension Benefits

The following table sets forth information concerning plans that provide for payments or other benefits at, following, or in connection with, retirement for each of our named executive officers.

Pension Benefits 2018

Name	**Plan Name**	**Number of Years Credited Service (#)**	**Present Value of Accumulated Benefit ($)**	**Payments During Last Fiscal Year ($)**
Rory G. Ritrievi	Director Retirement Plan	9	28,642	0

Nonqualified Deferred Compensation Table

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Rory G. Ritrievi	N/A	28,641	N/A	N/A	$ 28,641
Michael D. Peduzzi	N/A	19,066	N/A	N/A	$ 19,066
Justin T. Webb	N/A	8,587	N/A	N/A	$ 8,587
Scott W. Micklewright	N/A	8,700	N/A	N/A	$ 8,700

The nonqualified deferred compensation reflects contributions to date under the respective individual s Supplemental Executive Retirement Plan as described on page 24.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Each of the named executive officers would be entitled to certain contractual benefits if their employment terminates under certain circumstances preceding or following a change in control. The agreements are described under the caption Employment, Change in Control and SERP Agreements included in the Compensation Discussion and Analysis. We calculated the potential post-employment payments due to each of these named executive officers assuming each named executive officer terminated employment or a change in control occurred on December 31, 2018. Actual amounts payable can only be determined at the time of such executive s termination.

				Before Change in Control		After Change in Control	
		Termination for Disability	Termination on account of Death	Involuntary Termination without Cause	Voluntary Termination for Good Reason	Involuntary Termination without Cause	Voluntary Termination for Good Reason
Rory G. Ritrievi	Severance [1]	$ 0	$ 0	$ 1,275,000	$ 1,275,000	$ 1,350,000	$ 1,350,000
	Supplemental Executive Retirement Plan [2]	$ 0	$ 0	$ 0	$ 0	$ 1,875,000	$ 1,875,000
	Welfare continuation [3]	$ 0	$ 0	$ 74,310	$ 74,310	$ 74,310	$ 74,310
	Value of accelerated restricted stock	$ 0	$ 0	$ 0	$ 0	$ 94,958	$ 94,958
	Tax Reimbursement [4]	$ 0	$ 0	$ 0	$ 0	$ 596,938	$ 596,938
	Total	**$ 0**	**$ 0**	**$ 1,349,310**	**$ 1,349,310**	**$ 3,991,206**	**$ 3,991,206**
Michael D. Peduzzi	Severance [1]	$ 0	$ 0	$ 0	$ 0	$ 560,000	$ 560,000
	Supplemental Executive Retirement Plan [2]	$ 0	$ 0	$ 0	$ 0	$ 1,350,000	$ 1,350,000
	Welfare continuation [3]	$ 0	$ 0	$ 0	$ 0	$ 49,540	$ 49,540
	Value of accelerated restricted stock	$ 0	$ 0	$ 0	$ 0	$ 37,408	$ 37,408
	Tax Reimbursement [4]	$ 0	$ 0	$ 0	$ 0	$ 347,426	$ 347,426
	Total	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 2,344,374**	**$ 2,344,374**
Justin T. Webb	Severance [1]	$ 0	$ 0	$ 0	$ 0	$ 520,000	$ 520,000
	Supplemental Executive Retirement Plan [2]	$ 0	$ 0	$ 0	$ 0	$ 1,200,000	$ 1,200,000
	Welfare continuation [3]	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

	Value of accelerated restricted stock	$ 0	$ 0	$ 0	$ 0	$ 34,530	$ 34,530
	Tax Reimbursement [4]	$ 0	$ 0	$ 0	$ 0	$ 310,443	$ 310,443
	Total	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 2,064,973**	**$ 2,064,973**
Scott W. Micklewright	Severance [1]	$ 0	$ 0	$ 0	$ 0	$ 520,000	$ 520,000
	Supplemental Executive Retirement Plan [2]	$ 0	$ 0	$ 0	$ 0	$ 1,200,000	$ 1,200,000
	Welfare continuation [3]	$ 0	$ 0	$ 0	$ 0	$ 47,929	$ 47,929
	Value of accelerated restricted stock	$ 0	$ 0	$ 0	$ 0	$ 34,530	$ 34,530
	Tax Reimbursement [4]	$ 0	$ 0	$ 0	$ 0	$ 319,054	$ 319,054
	Total	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 2,121,513**	**$ 2,121,513**
Joseph L. Paese	Severance [1]	$ 0	$ 0	$ 0	$ 0	$ 380,000	$ 380,000
	Welfare continuation [3]	$ 0	$ 0	$ 0	$ 0	$ 49,540	$ 49,540
	Value of accelerated restricted stock	$ 0	$ 0	$ 0	$ 0	$ 37,408	$ 37,408
	Total	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 466,948**	**$ 466,948**

(1) For severance and welfare continuation payment calculation, and time and form of such payments, see Employment, Change in Control and SERP Agreements.

(2) Assumes separation from service within 24 months following the change in control.

(3) Assumes no increase in the cost of welfare benefits.

(4) Represents an estimation of the Limited Gross Up Payment payable to such individuals under the applicable Change in Control and SERP Agreements.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Bank is party to a lease agreement with an entity that is an affiliate of Mr. Noone, a member of the Corporation s Board, in connection with a retail branch property located in Mechanicsburg, Pennsylvania, which has a remaining initial term of 16 years. Following our 2015 acquisition of Phoenix Bancorp, Inc., the Bank assumed a lease agreement with the same entity in connection with a retail branch property located in Frackville, Pennsylvania, which has a remaining initial term of 18 years. The aggregate lease payments to such entity, of which Mr. Noone is a 49% limited partner, totaled approximately $167,000 during 2018. In determining director independence, the Board considered these lease arrangements and concluded they do not impact the independence of Mr. Noone.

Following our 2015 acquisition of Phoenix Bancorp, Inc., the Bank assumed a lease agreement with an entity that is an affiliate of Mr. Quandel, a member of the Corporation s Board. The leased facility includes regional offices for the Bank in Pottsville, Pennsylvania, and has two years remaining on its initial term. The aggregate lease payments to such entity, of which Mr. Quandel is a 33.33% general partner, totaled approximately $124,000 during 2018. Also, during 2018, we contracted with another of Mr. Quandel s affiliates, a construction services entity, of which Mr. Quandel is a 71.91% owner. The entity performed a building assessment for the property purchased at 2405 Park Drive, Harrisburg, Pennsylvania, and the total payment to the entity for this work totaled approximately $4,000. In determining director independence, the Board considered the lease arrangement and the payment for the building assessment, and concluded they do not impact the independence of Mr. Quandel.

Neither the Corporation nor the Bank has entered into any other material transactions, proposed or consummated, with any other director or executive officer of the Corporation or the Bank, or any associate of the foregoing persons. From time to time, the Bank has engaged in and intends to continue to engage in banking and financial transactions in the ordinary course of business with directors and officers and their associates on comparable terms with similar interest rates as those prevailing from time to time for other customers.

Related party transactions greater than $50,000 must be approved by the Board prior to any commitment by the Bank to any such transaction. Directors do not participate in the discussions and are not present for voting on their own related party transactions. All of the material terms, conditions and purpose of the transaction shall be described in writing and provided to the Board, together with the written request for approval of any such related party transaction. The transaction should be reviewed and approved by the appropriate senior officer before being submitted to the Board for approval. Related party transactions for ongoing or continuing services can be reviewed and pre-approved within reasonable parameters by the Board on an as-needed basis. If the terms, pricing or conditions change so as to go outside the specified parameters cited in the request, the transactions shall be resubmitted for review and approval after the fact.

The Bank has made loans to the Corporation s and the Bank s officers and directors and their immediate families and companies in which they had an ownership interest of 10% or more. Loans to such persons were made in the ordinary course of business, were made 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 the normal risk of collectability or present other unfavorable features.

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BENEFICIAL OWNERSHIP OF MID PENN BANCORP S STOCK

HELD BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT

Principal Shareholders

The following table shows, to the best of the Corporation s knowledge, those persons or entities, who owned of record or beneficially, on March 8, 2019, more than 5% of the outstanding shares of the Corporation s common stock.

Beneficial ownership of the Corporation s common stock was determined by referring to Securities and Exchange Commission Rule 13d-3, which provides that a person should be credited with the ownership of any stock held, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:

voting power, which includes the power to vote or to direct the voting of the stock; or

investment power, which includes the power to dispose or direct the disposition of the stock; or

the right to acquire beneficial ownership within 60 days after March 8, 2019.

Name and Address of Beneficial Owner	**Number of Shares**	**Percent of Class**
Lawrence Keister & Co. PO Box 254 Scottdale, PA 15683	1,003,259[1]	11.9%
Marilyn K. Andras 244 East Lake Road Acme, PA 15610	1,037,978[2]	12.3%
Lawrence J. Kiefer 305 Dogwood Drive Smithfield, PA 15478	1,038,251[3]	12.3%
Donald F. Kiefer 156 Montgomery Road Scottdale, PA 15683	1,043,111[4]	12.3%

(1) Donald F. Kiefer, a director of the Corporation and Bank, Lawrence J. Kiefer, an employee of the Bank, and Marilyn K. Andras, a former employee of the Bank, may be deemed to be beneficial owners of these shares because each of these individuals is a managing partner of Lawrence Keister & Co., a Pennsylvania general partnership (the Partnership), and may be deemed to share investment and voting power.

(2)

In addition to the 1,003,259 shares held in the name of the Partnership listed above, Marilyn K. Andras is also the beneficial owner of an additional 34,719 shares, giving her total beneficial ownership of 1,037,978 shares.

(3) In addition to the 1,003,259 shares held in the name of the Partnership listed above, Lawrence J. Kiefer is also the beneficial owner of an additional 34,992 shares, giving him total beneficial ownership of 1,038,251 shares.

(4) In addition to the 1,003,259 shares held in the name of the Partnership listed above, Donald F. Kiefer is also the beneficial owner of an additional 39,852 shares, excluding 400 shares of Restricted Stock, giving him total beneficial ownership of 1,043,111 shares.

Share Ownership by the Directors, Officers and Nominees

The following table shows, as of March 8, 2019, the amount and percentage of the Corporation s common stock beneficially owned by each director, each nominee, each named executive officer and all directors, nominees and executive officers as a group.

Beneficial ownership of shares of the Corporation s common stock is determined in accordance with SEC Rule 13d-3.

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Unless otherwise indicated in a footnote appearing below the table, all shares reported in the following table are owned directly by the reporting person. The number of shares owned by the directors, nominees and executive officers is rounded to the nearest whole share.

Name of Beneficial Owner[1]	Common Stock Amount and Nature of Beneficial Ownership	Percent of Class
Robert A. Abel	8,883[2]	*
Steven T. Boyer	5,935[3]	*
Kimberly J. Brumbaugh	500	*
Matthew G. DeSoto	14,558[4]	*
Joel L. Frank	2,604[5]	*
Robert C. Grubic	41,003[6]	*
Gregory M. Kerwin	30,639[7]	*
Donald F. Kiefer	1,043,111[8]	12.3%
Robert E. Klinger	6,861[9]	*
Robert J. Moisey	26,011[10]	*
Theodore W. Mowery	13,616[11]	*
John E. Noone	24,682[12]	*
Alan P. Novak	8,962[13]	*
Noble C. Quandel, Jr.	127,040[14]	1.5%
Rory G. Ritrievi	16,385[15]	*
Patrick M. Smith	5,843[16]	*
David E. Sparks	108,798[17]	1.3%
William A. Specht, III	39,650[18]	*
Michael D. Peduzzi	5,175[19]	*
Justin T. Webb	4,088[20]	*
Scott W. Micklewright	5,663[21]	*
Joseph L. Paese	2,985[22]	
Joan E. Dickinson	263[23]	*
All Officers and Directors as a Group (23 persons)	1,543,255[24]	18.2%

* Does not exceed 1% of the class based on the number of shares of common stock outstanding as of March 8, 2019.

(1) Except as noted below, each of the identified beneficial owners, including the officers, directors and nominees for director, has sole investment and voting power as to all the shares beneficially owned with the exception of those held jointly by certain officers, directors and nominees for director with their spouses or directly by their spouses or other relatives.

(2) Includes 8,372 shares held jointly by Mr. Abel and his spouse in a Trust and 511 shares held jointly by Mr. Abel and his spouse, and excludes 400 shares of restricted stock.

(3) Shares held jointly by Mr. Boyer and his spouse, and excludes 400 shares of restricted stock.

(4) Includes 840 shares held by Mr. DeSoto in PUTMA for his children and 78 shares held by Mr. DeSoto as a 50% owner in a partnership account, for which he has sole voting power, and excludes 400 shares of restricted stock.

(5) Includes 1,908 shares held jointly by Mr. Frank and his spouse.
(6) Excludes 400 shares of restricted stock.
(7) Shares held jointly by Mr. Kerwin and his spouse, and excludes 400 shares of restricted stock.
(8) Includes 1,003,259 shares held by a family partnership, of which Mr. Kiefer is a managing partner, and excludes 400 shares of restricted stock.
(9) Shares held jointly by Mr. Klinger and his spouse, and excludes 400 shares of restricted stock.
(10) Includes 8,431 shares held jointly by Mr. Moisey and his spouse, 7,504 shares held by Mr. Moisey s spouse, and 4,000 shares held by Mr. Moisey s spouse for PUTMA, and excludes 400 shares of restricted stock.
(11) Includes 412 shares held jointly by Mr. Mowery and his spouse, and excludes 400 shares of restricted stock.
(12) Includes 21,800 shares held by Mr. Noone in a Trust, and 478 shares held jointly by Mr. Noone and his spouse, and excludes 400 shares of restricted stock.
(13) Includes 26 shares held jointly by Mr. Novak and his spouse.
(14) Includes 56,006 shares held by Mr. Quandel s spouse, and excludes 400 shares of restricted stock.
(15) Includes 6,636 shares held jointly by Mr. Ritrievi and his spouse, and excludes 4,125 shares of restricted stock.
(16) Includes 1,740 shares held jointly by Mr. Smith and his spouse.
(17) Includes 26,418 shares held by Mr. Sparks wife and 4,062 shares held by Mr. Sparks family foundation.

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(18) Includes 3,805 shares held jointly by Mr. Specht and his spouse, and 2,400 shares held by Mr. Specht s entity wholly-owned, and excludes 400 shares of restricted stock. Mr. Specht is trustee of a family trust of which 15,783 shares are held for the benefit of Janet E. Specht and 15,427 shares are held for the benefit of William A. Specht, Jr.

(19) Excludes 1,625 shares of restricted stock.

(20) Includes 1,938 shares held jointly by Mr. Webb and his spouse, and excludes 1,500 shares of restricted stock.

(21) Shares held jointly by Mr. Micklewright and his spouse, and excludes 1,500 shares of restricted stock.

(22) Excludes 1,625 shares of restricted stock.

(23) Shares held jointly by Ms. Dickinson and her spouse.

(24) Excludes 15,175 shares of restricted stock.

PROPOSAL NO. 2: NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act) (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act)) and the related rules of the SEC, we are including in these proxy materials a separate resolution subject to shareholder vote to approve, in a non-binding advisory vote, the compensation of our named executive officers.

As described in detail in this proxy statement, our executive compensation programs are designed to attract, motivate, reward and retain our named executive officers, who are critical to our success. We are asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement. This proposal, commonly known as a say on pay proposal, gives our shareholders the opportunity to express their views on our named executive officer compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we ask our shareholders to vote FOR the following resolution at the Annual Meeting of Shareholders:

Resolved, that the shareholders hereby approve the executive compensation, as described in the Compensation Discussion and Analysis and the tabular disclosure (together with the accompanying narrative disclosure), regarding named executive officers in this proxy statement.

Because your vote is advisory, it will not be binding upon the Board. However, the Compensation Committee will take into consideration the outcome of the vote when considering future executive compensation arrangements.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE EXECUTIVE COMPENSATION, AS DESCRIBED IN THE COMPENSATION DISCUSSION AND ANALYSIS AND THE TABULAR DISCLOSURE REGARDING NAMED EXECUTIVE OFFICERS (TOGETHER WITH THE ACCOMPANYING NARRATIVE DISCLOSURE) IN THIS PROXY STATEMENT.

PROPOSAL NO. 3: NON-BINDING VOTE ON THE FREQUENCY OF FUTURE

ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are providing an opportunity for our shareholders to recommend on an advisory basis how frequently we should provide future say on pay votes. By voting on this Proposal 3, shareholders may tell us whether they would prefer to have an advisory say on pay vote each year, every two years, or every three years.

In considering your vote, you may wish to review the executive compensation information presented in this proxy statement.

The Board believes shareholders should be given the opportunity to approve the Corporation s executive compensation each year because an annual vote will allow shareholders to provide the Corporation with their direct input on the compensation philosophy, policies and practices as disclosed in the proxy statement every year, and annual votes are consistent with the Corporation s policies of annually seeking input from, and engaging in discussions with, shareholders on corporate governance matters and executive compensation philosophy, policies and practices.

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Because this is an advisory vote, the voting results will not be binding on our Board. Although the vote is advisory, our Board will consider the frequency receiving the most votes when deciding how often to have advisory say on pay votes in the future. Shareholders can choose one of four choices for this proposal on the proxy card: one year, two years, three years or abstain. Shareholders are not voting to approve or disapprove our Board s recommendation.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR ONE YEAR ON THIS PROPOSAL.

PROPOSAL NO. 4: AMENDMENT TO THE ARTICLES OF INCORPORATION

Article 5 of Mid Penn s Articles of Incorporation currently authorizes the issuance of a total of 20,000,000 shares divided into two classes consisting of 10,000,000 shares of common stock and 10,000,000 of preferred stock. As of March 8, 2019, the Corporation had 8,459,918 shares of common stock issued and is approaching its maximum authorized share amount.

In order to provide the Corporation with sufficient authorized shares to fund future growth and maximum flexibility to achieve its strategic objectives, the Board, at a meeting held on January 23, 2019, approved resolutions to amend Article 5 of the Corporation s Articles of Incorporation, subject to shareholder approval. The proposed amendment would increase the number of shares of capital stock authorized from 20,000,000 shares to 30,000,000 shares, increasing the number of authorized shares of common stock from 10,000,000 shares to 20,000,000 shares and leaving the number of authorized shares of preferred stock unaffected at 10,000,000. To effectuate the increase in authorized shares, the Board is proposing the first paragraph of Article 5 of the Articles of Incorporation be amended from:

The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 20,000,000 shares divided into two classes consisting of 10,000,000 shares of common stock with the par value of $1.00 each (Common Stock) and 10,000,000 shares of preferred stock with the par value of $1.00 each (Preferred Stock).

to:

The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 30,000,000 shares divided into two classes consisting of 20,000,000 shares of common stock with the par value of $1.00 each (Common Stock) and 10,000,000 shares of preferred stock with the par value of $1.00 each (Preferred Stock).

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT TO ARTICLE 5 OF THE CORPORATION S ARTICLES OF INCORPORATION TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AUTHORIZED FROM 10,000,000 SHARES TO 20,000,000 SHARES.

PROPOSAL NO. 5: RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP AS THE CORPORATION S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019

The Audit Committee of the Board has appointed BDO USA, LLP as its independent registered public accounting firm for the year ending December 31, 2019. Services provided to the Corporation and the Bank by BDO USA, LLP in 2018 and 2017 are described under the Audit Committee Report, above.

The Corporation is asking its shareholders to ratify the selection of BDO USA, LLP as its independent registered public accounting firm. Although this ratification is not required by the Corporation s By-laws or otherwise, the Board is submitting the selection to its shareholders for ratification as a matter of good corporate practice.

Representatives of BDO USA, LLP will be present at the annual meeting to respond to appropriate questions and to make such statements as they may desire.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP AS THE CORPORATION S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019.

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No determination has been made as to what action the Audit Committee would take if shareholders do not ratify the appointment. In the event that shareholders do not ratify the appointment of BDO USA, LLP, the Audit Committee would take a number of factors into account in determining its course of action, including its evaluation of the services provided by BDO USA, LLP and the remaining term of the Corporation s engagement of BDO USA, LLP. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Corporation.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that officers and directors, and persons who own more than 10% of a registered class of the Corporation s equity securities, file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% shareholders are required by SEC regulation to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of these forms, or written representations from certain reporting persons, the Corporation believes that, during the period from January 1, 2018 through December 31, 2018, its officers and directors timely complied with all applicable filing requirements.

SHAREHOLDER PROPOSALS OR NOMINATIONS

Any shareholder who desires to submit a proposal for inclusion in the proxy materials relating to our 2020 Annual Meeting of Shareholders in accordance with the rules of the SEC must submit such proposal in writing, addressed to the Corporation at 349 Union Street, Millersburg, Pennsylvania 17061, Attn: Cindy Wetzel, Secretary, no later than December 5, 2019.

In accordance with the Corporation s By-laws, a shareholder who desires to propose a matter for consideration at an annual meeting of shareholders, even if the proposal is not submitted by the deadline for inclusion in the Corporation s proxy materials, must comply with the procedures specified in the Corporation s By-laws, including providing notice thereof in writing, delivered or mailed by first-class United States mail, postage prepaid, to the Corporation s Secretary, no later than 120 days prior to the anniversary date of the initial proxy materials or of a notice of the meeting by the Corporation in connection with the immediately preceding Annual Meeting of Shareholders. For the 2020 Annual Meeting of Shareholders, this period will end on December 5, 2019.

In accordance with the Corporation s By-laws, a shareholder who desires to nominate candidates for election to the Board must comply with the procedure specified in the By-laws, including providing proper notice of the nomination in writing, delivered or mailed by first-class United States mail, postage prepaid, to the Corporation s Secretary no later than the earlier of (i) 120 days prior to the anniversary date of the initial proxy materials or of a notice of the meeting by the Corporation in connection with the immediately preceding Annual Meeting of Shareholders, or (ii) the deadline for submitting a proposal for inclusion in the Corporation s proxy materials in accordance with the rules of the SEC. For the 2020 Annual Meeting of Shareholders, this period will end on December 5, 2019. See page 6 for more information about nominations to the Board.

OTHER MATTERS THAT MAY COME BEFORE THE ANNUAL MEETING

The Board knows of no matters other than those discussed in this proxy statement or referred to in the accompanying Notice of Annual Meeting of Shareholders that properly may come before the annual meeting. However, if any other matter should be properly presented for consideration and voting at the annual meeting or any adjournments of the

meeting, if the shareholder does not also comply with the requirements of Rule 14a-4(c)(2) under the Exchange Act, proxy holders may exercise discretionary voting authority under proxies that the Corporation solicits to vote in accordance with their best judgment on any such shareholder proposal or nomination.

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Your vote matters - here s how to vote!
You may vote online or by phone instead of mailing this card.

Votes submitted electronically must be received by 3:00 a.m., Central Time, on May 14, 2019.

Online

Go to **www.investorvote.com/MPB** or scan the QR code login details are located in the shaded bar below.

Phone

Call toll free 1-800-652-VOTE (8683) within

the USA, US territories and Canada

Save paper, time and money!
Sign up for electronic delivery at www.investorvote.com/MPB

Using a **black ink** pen, mark your votes with an **X** as shown in this example.
Please do not write outside the designated
areas.

2019 Annual Meeting Proxy Card

q **IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A

Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2, 4 and 5 and for ONE YEAR on Proposal 3.

1. Election of Directors:

For	Withhold		For	Withhold		For	Withhold
01 - Robert A. Abel			02 - Matthew G. DeSoto			03 - Joel L. Frank	
04 - Theodore W. Mowery			05 - Patrick M. Smith			06 - William A. Specht, III	

	For	Against	Abstain
2. An advisory vote to approve the compensation of the Corporation s named executive officers.			

	1 Year	2 Years	3 Years	Abstain
3. To conduct a non-binding vote on the frequency of future advisory votes on executive compensation.				

	For	Against	Abstain
4. To approve an amendment to the Articles of Incorporation to increase the number of authorized shares of common stock from 10,000,000 shares to 20,000,000 shares.			

	For	Against	Abstain
5. To ratify the appointment of BDO USA, LLP as the Corporation s independent registered public accounting firm for the year ending December 31, 2019.			

B Authorized Signatures This section must be completed for your vote to count. Please date and sign below.

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

/ /

030GJC

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Small steps make an impact.

Help the environment by consenting to receive electronic

delivery, sign up at www.investorvote.com/MPB

q **IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

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MID PENN BANCORP, INC.

Notice of 2019 Annual Meeting of Shareholders
Proxy Solicited by the Board of Directors for the Annual Meeting May 14, 2019

Roberta A. Hoffman, Scott W. Micklewright and Edward P. Williams, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Mid Penn Bancorp, Inc. to be held on May 14, 2019 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted in the manner directed by the shareholder. If no such directions are indicated, the Proxy Holders will vote the shares represented by this proxy FOR all of the director nominees listed in Proposal 1, FOR Proposals 2, 4 and 5 and for ONE YEAR on Proposal 3.

In their discretion, the Proxy Holders are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side)

C Non-Voting Items

Change of Address Please print new address below. **Comments** Please print your comments below. **Meeting Attendance**

Mark box to the right if you plan to attend the Annual Meeting.