

**CNB CORPORATION**  
303 North Main Street  
Cheboygan, Michigan 49721

April 18, 2014

Dear Shareholder:

You are cordially invited to attend the annual meeting of CNB Corporation to be held at the Knights of Columbus Hall, 9840 N. Straits Highway (near the intersection of highways U.S. 27 and M-33), Cheboygan, Michigan, at 7:00 p.m. on Tuesday, May 20, 2014. The Notice of Annual Meeting and Proxy Statement follow this letter and the Corporation's 2013 Annual Report is enclosed.

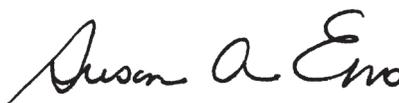
It is important that your shares be represented at the meeting. Whether or not you plan to attend, we urge you to sign, date and return your Proxy as soon as possible in the enclosed postage-paid envelope.

Dessert will be served following the meeting and we hope you will be able to join us.

Your continued support of, and interest in, CNB Corporation are sincerely appreciated and we encourage you to recommend the Corporation's services to your friends and neighbors.

We look forward to seeing you at the meeting.

Respectfully,

A handwritten signature in black ink that reads "Susan A. Eno". The signature is written in a cursive style with a large, stylized 'S' and 'E'.

Susan A. Eno  
President and Chief Executive Officer

enclosures

**CNB CORPORATION**  
303 North Main Street  
Cheboygan, Michigan 49721

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held May 20, 2014**

TO THE SHAREHOLDERS:

The Annual Meeting of Shareholders of CNB Corporation, a Michigan corporation, will be held on Tuesday, May 20, 2014, at 7:00 p.m., at the Knights of Columbus Hall, 9840 N. Straits Highway, Cheboygan, Michigan, for the following purposes:

1. To amend the Corporation's Articles of Incorporation to provide for a classified board of directors.
2. To elect nine directors, each to hold office for terms expiring as described and until his or her successor is elected and qualified.
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed March 21, 2014, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting or any adjournment thereof.

By order of the Board of Directors,

  
Rebecca L. Tomaski  
Secretary

Dated: April 18, 2014

**Your vote is important. Even if you plan to attend the meeting, please date and sign the enclosed proxy form, indicate your choice with respect to the matters to be voted upon, and return it promptly in the enclosed envelope. If you do attend the meeting, you may, if you wish, revoke your proxy and vote your shares in person.**

**CNB CORPORATION**  
303 North Main Street  
Cheboygan, Michigan 49721

**PROXY STATEMENT**  
**2014 ANNUAL MEETING OF SHAREHOLDERS**  
**May 20, 2014**

This Proxy Statement and the enclosed Proxy are furnished in connection with the solicitation of proxies by the Board of Directors of CNB Corporation (the "Corporation"), a Michigan bank holding company whose sole subsidiary is Citizens National Bank of Cheboygan (the "Bank"), to be voted at the Annual Meeting of Shareholders of the Corporation to be held on May 20, 2014, at 7:00 p.m., at the Knights of Columbus Hall, 9840 South Straits Highway, Cheboygan, Michigan (the "Annual Meeting"), or at any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting and in this Proxy Statement.

**VOTING AT THE MEETING**

This Proxy Statement and the enclosed Proxy are expected to be mailed on or about April 18, 2014, to all holders of record of common stock of the Corporation as of the record date. The Board of Directors of the Corporation has fixed the close of business on March 21, 2014, as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

The Corporation's only class of outstanding stock is its common stock, par value \$2.50 per share. As of the record date of March 21, 2014, 1,212,098 shares of common stock of the Corporation were outstanding. Each outstanding share will entitle the holder thereof to one vote on each separate matter presented for vote at the meeting. Votes cast at the meeting and submitted by proxy are counted by the inspectors of the meeting who are appointed by the Corporation.

If a Proxy in the enclosed form is properly executed and returned to the Corporation, the shares represented by the Proxy will be voted at the Annual Meeting and any adjournment thereof. If a shareholder specifies a choice, the Proxy will be voted as specified. If no choice is specified, the shares represented by the Proxy will be voted for the proposed amendment to the Articles of Incorporation and for election of all of the nominees named in this Proxy Statement and in accordance with the judgment of the persons named as proxies with respect to any other matter which may come before the meeting or any adjournment thereof.

A Proxy may be revoked before exercise by notifying the Secretary of the Corporation in writing, or by submitting a Proxy of a later date or attending the meeting and voting in person. All shareholders are encouraged to date and sign the enclosed Proxy form, indicate your choice with respect to the matters to be voted upon, and return it to the Corporation.

## **PROPOSED AMENDMENT TO ARTICLES OF INCORPORATION**

In connection with an ongoing review and assessment of the Corporation's corporate governance procedures and documents, the Board of Directors recommends that the Articles of Incorporation be amended to provide for a classified board of directors. As part of this review, the Bylaws of the Corporation were updated in 2013. The Articles of Incorporation have not been substantively updated since 1987. The economic and business environments of the Corporation and the laws governing the Corporation have changed a great deal in the last 27 years and the Board of Directors believes an amendment to classify the Board of Directors is appropriate at this time. A classified board of directors is expressly permitted under the laws governing the Corporation and has been adopted by many if not most bank holding companies in Michigan.

By converting to a classified board structure, after the classification becomes fully effective, only one-third (or as near thereto in number as possible) of the Board of Directors will be elected each year, to three-year terms. See the discussion below under "Election of Directors" for more details. The Board of Directors believes that the longer time required to elect a majority of a classified board will help assure continuity and stability of corporate policies since a majority of the directors will always have prior experience as directors of the Corporation. The banking industry is becoming increasingly complex and effective bank holding company boards must be knowledgeable of the market and regulatory forces that shape the industry.

In addition to the benefit of continuity and stability, a classified board may provide greater protection to shareholders in the event a transaction was proposed to acquire the Corporation which the Board of Directors thought was not in your best interest. There have been many instances of accumulation of substantial stock positions in companies by third parties as a prelude to proposing a takeover or a restructuring or sale of all or part of the target company. These actions may be undertaken by the third party without advance notice to or consultation with management of the corporation. In many cases, the purchaser seeks representation on a corporation's board of directors in order to increase the likelihood that the purchaser's proposal will be implemented by that corporation. If the corporation resists these efforts, the purchaser may commence a proxy contest to have its nominees elected to the board. In some cases, the purchaser may not truly be interested in taking over the target corporation, but uses the challenge of a proxy contest and/or a takeover bid as a means of effecting a purchase of the purchaser's shares at a substantial premium over market price.

The Board of Directors of the Corporation believes that the prospect of removal of the Corporation's entire board in these situations would severely curtail its ability to negotiate effectively with any such purchaser for the benefit of all shareholders. The board could be deprived of the time and information necessary to evaluate the takeover proposal, to study alternative proposals and to help ensure that the best price is obtained for the benefit of all shareholders in any transaction which may ultimately be undertaken. With a classified board, at least two elections will be required to effect a change of control of the Board, which will enhance the Board's leverage to negotiate effectively with any proposed acquirer. Currently, only one election would be necessary to effect a change of control of the Board of Directors of the Corporation. The Board emphasizes that it knows of no such acquisition or takeover proposals at the present time nor is it soliciting any such

proposals. The Board simply believes the classified board is in the best interests of the Corporation to be prepared for the future.

The classification of directors may have the effect of extending the period of time to effect a change in control of the membership of the Board of Directors even if the reason for such a change might be dissatisfaction with the performance of incumbent directors. Nonetheless, for the reasons stated above, the Board believes a classified board is in the best interests of the Corporation.

If the amendment to the Articles of Incorporation to classify the Board of Directors is approved, proposed Article VIII will be added to the Articles of Incorporation. A copy of proposed Article VIII is attached.

It is the intention of the persons named in the enclosed form of Proxy to vote such Proxy FOR this amendment unless otherwise directed in the Proxy.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS AMENDMENT.**

### **ELECTION OF DIRECTORS**

The Bylaws of the Corporation provide for a Board of Directors consisting of a minimum of five and a maximum of thirteen members.

Currently there are nine members of the Board. If the proposed amendment to the Articles of Incorporation to add Article VIII providing for a classified Board of Directors is approved by the shareholders, Thomas J. Redman, R. Jeffery Swadling and Rick A. Tromble are proposed to be elected for an initial term of three years; Steven J. Baker, Susan A. Eno and Kathleen A. Lieder are proposed to be elected for an initial term of two years; and Thomas J. Ellenberger, Vincent J. Hillesheim and F. Joseph VanAntwerp are proposed to be elected for an initial term of one year. In all cases members will be elected for the terms designated or until their successors are elected and qualified. At each annual meeting thereafter, the class of directors whose terms are expiring will be elected for a three year term. If the proposed Amendment is not approved by the shareholders, all directors are proposed to be elected for a one year term or until their successors are elected and qualified.

All of the nominees are incumbent directors elected by the Corporation's shareholders at the prior annual meeting of shareholders. All directors are independent directors within the meaning of NYSE listing standards except for Ms. Eno, who also serves as the corporation's President and Chief Executive Officer.

It is in the intention of the persons named in the enclosed form of Proxy to vote such Proxy FOR the nine nominees named above unless otherwise directed in the Proxy. In the event any of such nominees shall become unavailable, which is not anticipated, the Board of Directors in its discretion may designate substitute nominees, in which event the enclosed Proxy will be voted for such substitute nominees. Proxies cannot be voted for a greater number of persons than the number of nominees named.

A plurality of the votes cast at the meeting is required to elect the nominees as directors of the Corporation. Shares not voted at the meeting, whether by abstention, broker non-vote, or otherwise, will not be treated as votes cast at the meeting.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ELECTION OF ALL NOMINEES AS DIRECTORS.**

**INFORMATION ABOUT DIRECTOR NOMINEES**

The information set forth below relating to each nominee's age, year first elected as director and principal occupation or employment for the past five years has been provided as of March 1, 2014 by the respective nominee.

Steven J. Baker, D.V.M. (age 62)

Dr. Baker is a retired veterinarian who practiced veterinary medicine with the Indian River Veterinary Clinic, which he owned for 25 years. Dr. Baker is active in the Indian River community, several non-profit groups and is a steward for several land conservancies. He has served as a director of the Bank since 1999 and a director of the Corporation since 2000. Dr. Baker's qualifications and contributions include his knowledge of and familiarity with the Corporation and Bank's service area in the community of Indian River.

Thomas J. Ellenberger (age 63)

Mr. Ellenberger has been part owner, Vice President and Secretary of Albert Ellenberger Lumber Co. (retail lumber sales) for the past 36 years. He has served as a director of the Bank since 1995 and as a director of the Corporation since 1996. Mr. Ellenberger's contributions are his knowledge of and familiarity with the Corporation and Bank's service area in the community of Onaway.

Susan A. Eno (age 59)

Ms. Eno is the President and Chief Executive Officer of the Corporation and President and Chief Executive Officer of the Bank. Ms. Eno has been an officer of the Corporation since 1996 and an employee of the Bank since 1971. She has been in her current position since January 1, 2008 and was in her previous position as Executive Vice President of the Corporation and Executive Vice President and Cashier of the Bank for more than 11 years. She has served as a director of the Bank since 2007 and as a director of the Corporation since 2008. Ms. Eno's management responsibilities for all aspects of the Corporation's operations and her deep knowledge of our markets and communities all qualify her for service on the Board. Ms. Eno attended the Graduate School of Banking in Madison Wisconsin. She also contributes to the diversity of the Board.

Vincent J. Hillesheim (age 63)

Mr. Hillesheim is retired former President of Anchor In Marina of Northern Michigan, Inc. He has served as a director of the Corporation and the Bank since 1994 and as the lead independent director serving as Chairman since 2006. His working career has included operation and management of a small business, commercial property management, budgeting, personnel management, small business financing and government regulations. Mr. Hillesheim's contributions and qualifications

include his insights to a range of operational matters as well as his knowledge and familiarity with the Corporation and Bank's service area in the community of Cheboygan.

Kathleen A. Lieder (age 62)

Ms. Lieder is a retired partner of the Bodman PLC law firm, most recently practicing in the Cheboygan office. For over 30 years she co-owned the Log Mark Bookstore in Cheboygan. She has served as a director of the Bank since September 2005 and as director of the Corporation since May 2006. Ms. Lieder's special contributions and skills include her acumen acquired during her 30-year career as a lawyer and over 20 years of service on other boards including Lutheran Social Services of Michigan of which she is currently Chairman of the Board. She also contributes to the diversity of the Board.

Thomas J. Redman (age 46)

Mr. Redman is President of Tube Fab/Roman Engineering a family-owned, third-generation tube fabrication and assembly company located in Afton, Michigan. He is a graduate of Eastern Michigan University majoring in organizational communications and business management. Mr. Redman lives in Topinabee and is active in his church, having served as a board member for 14 years and overseeing its food pantry/soup kitchen ministry. He grew up in the Indian River area, working in the family business until he went to school, rejoining the business 1988. He has been a member of the Bank board since October 2012. His knowledge of manufacturing and understanding of the region's economy contribute to his qualifications as a board member.

R. Jeffery Swadling (age 54)

Mr. Swadling is Vice President of Ken's Village Market, Inc., a retail grocery store in Indian River. He has over 25 years business management experience and 5 years financial management experience. Mr. Swadling has served on the Board of the Cheboygan Area Arts Council, Inland Lakes Educational Foundation, Indian River Chamber of Commerce and Friends of Inland Lakes Schools. He has served as a director of the Bank since September 2005 and as director of the Corporation since May 2006. Mr. Swadling has a Bachelor of Science in Business Administration. His insight and experience in the areas of information technology and the stock market assists in Board discussion involving these subjects.

Rick A. Tromble (58)

Mr. Tromble has owned and operated a number of successful businesses, including over 50 Taco Bell restaurants in Florida and in 2005 established Tromble Bay Farms, Inc. in Cheboygan. Tromble Bay Farms encompasses 5,200 acres by way of owning 3,000 acres and renting 2,200 acres in Cheboygan County. In addition to raising 500 head of Angus cows and 600 acres of crops the farm also sells 40,000 bales of hay in Florida and 15,000 bales in Michigan. The farm also includes the Tromble Equestrian Center. Mr. Tromble also manages 250,000 square feet of commercial real estate rental space in Northern Michigan and Florida and he is a partner in Fernelius Ford. Mr. Tromble is a graduate of the University of Michigan with a degree in accounting and business administration. He has been a member of the Bank board since June 2012 and his accounting and business experience, as well as his exposure to markets and economies outside of the bank's service area contribute to his qualifications as a board member.

Francis J. VanAntwerp, Jr. (age 69)

Mr. VanAntwerp is a Civil Engineer and Vice President of Durocher Marine Division – Kokosing Construction Company, Inc. Mr. VanAntwerp is a native of and lifelong resident of Cheboygan. He is a former US Navy Officer and a Vietnam Veteran. He has belonged to many community organizations and served on local boards. He is a member of the Cheboygan Catholic Community. He has served as a director of the Corporation and the Bank since 1990. As a business owner and major employer in the community, Mr. VanAntwerp’s extensive management and leadership experience position him well to serve on the Board.

## **COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Corporation has an Audit Committee. Its membership is comprised of Directors Ellenberger (who serves as Chairman), Baker, Hillesheim, Lieder, Redman, Swadling, Tromble and VanAntwerp. All members qualify as “independent directors” under the NYSE listing standards. All of the members are financially literate and at least one of the members has expertise in accounting and other aspects of financial management. Considering this experience and expertise and other relevant issues, the Board of Directors believes that the Audit Committee can effectively fulfill its duties and obligations.

Traditionally all directors of the Corporation also serve as the Board of Directors of the Bank; therefore, director nominees must meet the qualifications for national bank directors set forth in 12 USC Sec. 72. Based on those qualifications and Comptroller of the Currency and corporate governance guidelines, the Board of Directors has developed criteria to be used in considering individual director candidates. Consideration of factors relative to the size and composition of the Board of Directors will vary according to the expertise and demographics of the existing Board. In making nominations for election to the Board of Directors, the Board of Directors will consider director candidates recommended by shareholders. Any director candidate recommended by shareholders will be reviewed and evaluated in the same manner as all other director candidates.

Under the Bylaws of the Corporation, nominations of persons for election to the Board of Directors may be made by any shareholder entitled to vote at a meeting at which one or more directors will be elected by submitting written notice of any nomination to the Secretary of the Corporation. The notice must be received at the principal business office of the Corporation not less than 90 days nor more than 120 days prior to the scheduled date of the annual meeting, regardless of any postponements, deferrals or adjournments of that meeting to a later date. In the case of a special meeting of the shareholders or in the event that the date of the applicable annual meeting is changed by more than 30 days from its scheduled date, a shareholder’s notice must be received no later than the close of business on the 10<sup>th</sup> day following the earlier of the day on which notice of the meeting date was mailed or the day public disclosure of the meeting was made. The notice must set forth or include: (1) the name and address, as they appear on the records of the Corporation, of the shareholder giving the notice; (2) a representation that the shareholder giving the notice is a holder of record entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (3) the class and number of shares of the common stock of the Corporation beneficially owned and of record by the shareholder giving the notice; (4) any material interest or relationship that the shareholder giving the notice may have with

each proposed nominee; (5) the name, address, age, principal occupation or employment, and such other information for each proposed nominee as would be required to be included in a proxy statement had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (6) a signed consent of each proposed nominee to serve as a director of the Corporation if so elected.

Separate persons serve as the Chairman of the Board and the Chief Executive Officer of the Company. Currently, Mr. Hillesheim serves as Chairman and Ms. Eno serves as President and Chief Executive Officer. The Chairman of the Board serves as the lead Director and presides at meetings except for the Audit Committee meetings. The Audit Committee has its own Chairman who presides over the Audit Committee meetings. The Board believes that this leadership structure is appropriate given the Bank's characteristics as it allows for additional independent oversight of management decisions; it also permits our Chairman to direct his attention to governance matters while our President and Chief Executive Officer can focus on operational issues. Furthermore, the current leadership structure has been in place since 2005 although, it is not to say that the Board would not change it in the future under appropriate circumstances. The independent Directors regularly meet in a closed session with the Bank's Manager of Internal Audit and the external auditors. The Board and Audit Committee are actively involved in oversight of risk, compliance and business results. Management is responsible for the management of risk, and reports to the Board and Audit Committee. Board members have complete access to management and outside advisors; thus, the President and Chief Executive Officer is not the sole source of information for the Board.

The directors of the Corporation are expected to attend the Annual Meeting of Shareholders with the organizational meeting of the newly elected Board of Directors to be held as provided in the Bylaws. All directors attended the 2013 Annual Meeting of Shareholders.

## **CODE OF ETHICS**

The Corporation has adopted a Senior Financial Officers Code of Ethics that applies to the Corporation's chief executive officer, treasurer, controller or other senior officers performing similar functions. A copy of the Senior Financial Officers Code of Ethics will be furnished without charge upon written request to: Secretary, CNB Corporation, P.O. Box 10, Cheboygan, Michigan 49721. The Bank also maintains a general code of ethics applicable to all employees.

## **SHAREHOLDER COMMUNICATIONS WITH DIRECTORS**

The Board of Directors does not have a formal process for shareholders to send communications to the Board of Directors. All members of the Board of Directors and a large majority of the shareholders reside in the rural geographic area served by the Corporation and the Bank and open and direct communication between the directors and those shareholders is encouraged. As for written communications from shareholders or other interested parties to the Board of Directors or any specific individual director, the practice has been and will continue to be that all such communications are promptly forwarded to the appropriate party or shared with the full Board of Directors no later than the next regularly scheduled meeting of the Board. Any shareholder

wishing to send a written communication to the Board of Directors or a specific individual director should address the communication to the Board of Directors or the individual director, CNB Corporation, 303 N. Main Street, P.O. Box 10, Cheboygan, MI 49721.

### **DELIVERY OF DOCUMENTS TO SHAREHOLDERS SHARING AN ADDRESS**

If you share an address with one or more other shareholders, a single copy of the Annual Report and Proxy Statement is being provided to you and the other shareholders. If you wish to receive a separate copy, make that request to the Secretary of CNB Corporation in writing to P. O. Box 10, Cheboygan, MI 49721, by email to [registrar@cnbismybank.com](mailto:registrar@cnbismybank.com) or by telephone at 231-627-7111 or 1-888-627-7800.

### **SHAREHOLDER PROPOSALS**

Under the Bylaws of the Corporation, any shareholder proposal to be considered at the annual meeting of the shareholders must concern a proper subject for shareholder action and have been submitted to the board of directors in written form containing certain required information with respect to the proposal and the proponent, not less than 90 days nor more than 120 days prior to the scheduled date of the meeting. No such proposals were received.

### **OTHER BUSINESS**

The Board of Directors is not aware of any matter to be presented for action at the meeting, other than the matters set forth herein. If any other business should come before the meeting, or any adjournment thereof, the Proxy will be voted in respect thereof in accordance with the best judgment of the persons authorized therein, and discretionary authority to do so is included in the Proxy. The cost of soliciting proxies will be borne by the Corporation. In addition to solicitation by mail, officers and other employees of the Corporation and the Bank may solicit proxies by telephone or in person, without compensation other than their regular compensation.

The Annual Report of the Corporation for 2013 is included with this Proxy Statement.

Shareholders are urged to sign and return the enclosed proxy in the enclosed envelope.

By order of the Board of Directors,

  
Rebecca L. Tomaski  
Secretary

Dated: April 18, 2014

## **ARTICLE VIII**

The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not fewer than five nor more than thirteen directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors. Beginning with the 2014 Annual Meeting of Shareholders, the directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors, with the term of office of the initial Class I directors to expire at the 2015 Annual Meeting of Shareholders, the term of office of the initial Class II directors to expire at the 2016 Annual Meeting of Shareholders and the term of office of the initial Class III directors to expire at the 2017 Annual Meeting of Shareholders. At each succeeding Annual Meeting of Shareholders beginning in 2015, successors to the class of directors whose term expires at that Annual Meeting shall be elected for a term of office to expire at the third succeeding Annual Meeting of Shareholders after their election. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of an incumbent director. A director shall hold office until the Annual Meeting for the year at which his or her term expires and thereafter until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, and any other vacancy occurring in the Board of Directors may be filled by a majority of the directors then in office, although less than a quorum. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.