

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

April 16, 2021

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 5:30 p.m. on Thursday, May 20, 2021. The Notice of Annual Meeting and Proxy Statement follow this letter.

**It is important that your shares be represented at the meeting. Whether or not you plan to attend, we urge you to indicate your choice with respect to the matters for which there is a vote. Please sign, date and return your Proxy as soon as possible in the enclosed postage-paid envelope.**

For the safety of our shareholders and staff, the guidelines relating to public gatherings are being monitored and will be followed at the meeting. The business items outlined in the enclosed meeting notice will be the meeting's focus, along with a brief overview of the past year and plans for the future. To assist in the planning and set up for the meeting, please RSVP by either returning the enclosed card or sending an email to [registrar@cnbismybank.com](mailto:registrar@cnbismybank.com).

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

We look forward to seeing you at the meeting.

Respectfully,



Matthew E. Keene  
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, 2021**

To the Shareholders:

The Annual Meeting of Shareholders of CNB Corporation, a Michigan corporation, will be held on Thursday, May 20, 2021, at 5:30 p.m., at the Knights of Columbus Hall, 9840 N. Straits Highway, Cheboygan, Michigan, for the following purposes:

1. To elect four directors, each to hold office for terms expiring in May 2024 as described and until his or her successor is elected and qualified.
2. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors fixed March 19, 2021 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting or any adjournment thereof.

**Your vote is important. Even if you plan to attend the meeting, please indicate your choice with respect to the matters to be voted on, date and sign the enclosed proxy 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.**

By order of the Board of Directors,



Victoria J. Hand  
Secretary

Dated: April 16, 2021

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

**PROXY STATEMENT**  
**2021 ANNUAL MEETING OF SHAREHOLDERS**  
**May 20, 2021**

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"). The enclosed Proxy is to be voted at the Annual Meeting of Shareholders of the Corporation, to be held on May 20, 2021, at 5:30 p.m., at the Knights of Columbus Hall, 9840 North 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 16, 2021, 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 19, 2021, 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 19, 2021, 1,210,717 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 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 election of all 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; by submitting a Proxy of a later date; or by attending the meeting and voting in person. **All shareholders are encouraged to indicate a choice with respect to the matters to be voted upon, then date, sign and return the enclosed Proxy to the Corporation.**

## **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 ten members of the Board of Directors.

As a classified board, the terms of Thomas J. Ellenberger, Vincent J. Hillesheim, Matthew E. Keene and Christopher B. Shepler are set to expire at the 2021 Annual Meeting. Mr. Ellenberger and Mr. Hillesheim are ineligible for reelection due to a longstanding maximum age policy.

Four persons have been nominated for election to the Board of Directors, each to serve for three-year terms expiring at the 2024 Annual Meeting of Shareholders. The Board of Directors has nominated Dana F. Andrews, Mathew E. Keene, Scott D. Landon and Christopher B. Shepler. Mr. Keene and Mr. Shepler are incumbent directors elected by the Corporation's shareholders at the 2018 Annual Meeting of Shareholders. Mr. Andrew and Mr. Landon are directors of the Bank, having been appointed in September 2020. Messers Andrews, Landon and Shepler are independent directors within the meaning of NYSE listing standards; Mr. Keene, who serves as President & CEO of the Bank, is not.

It is the intention of the persons named in the enclosed form of Proxy to vote such Proxy FOR the four nominees named above unless otherwise directed in the Proxy. In the event any nominee becomes unavailable an unanticipated occurrence the Board of Directors in its discretion may designate substitute nominees. In such an 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 Annual Meeting is required to elect the nominees as directors of the Corporation. Shares not voted at the Annual Meeting, whether by abstention, broker non-vote, or otherwise, will not be treated as votes cast at the Annual 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, 2021, by the respective nominee.

**Dana F. Andrews (age 42)**

Mr. Andrews is the owner and president of Sturgeon River Pottery, Inc., a favorite Northern Michigan retail shopping destination with two locations in Petoskey. He holds a BA from Hope College and an MBA from The University of Michigan. Following college, he served as an officer in the United States Marine Corps including during Operation Iraqi Freedom. Mr. Andrews involvement in community organizations includes current or prior board positions on the City of Petoskey Planning Commission, Habitat for Humanity of Northwest Michigan and the Petoskey-Harbor Springs Area Community Foundation. He has been a member of the Bank board since September 2020. With more than 15 years managing, consulting and developing various retail and real estate businesses, Mr. Andrews brings to the board a business acumen as well as a familiarity with the retail and tourist industries within the Petoskey market.

**Scott D. Landon (age 46)**

Mr. Landon is a lifelong resident of Cheboygan who has worked for more than 30 years at his family's automotive business, Landon Auto Parts, Inc., serving as its President since 2012. Managing the overall operations of the business's locations in Cheboygan, Indian River, Onaway, Boyne City and Charlevoix affords a unique perspective of the economies within the communities across the service areas of the Corporation and Bank. Mr. Landon has served as a member of the Bank board since September 2020 and as a member of the CARQUEST Auto Parts Independent Advisory Council since 2015. His community involvement includes service on the Cheboygan Youth Tackle Football League board as a current director and its former treasurer, as well as a former director of the Cheboygan County Fair Board and the Indian River Resort Region Chamber of Commerce. Mr. Landon also served as a member of Straits Area Federal Credit Union board for six years, which contributes to his knowledge of financial institutions and their importance to a community.

**Matthew E. Keene (age 48)**

Mr. Keene joined the Bank in March 2015 as a commercial lender with more than 20 years of experience in the banking industry, primarily focused on the lending function. In September 2017, the Bank's board of directors appointed Mr. Keene to the position of Executive Vice President & Senior Loan Officer, and effective April 1, 2018, he succeeded Susan A. Eno as the President & CEO of the Bank. He has been a director of the both the Corporation and Bank since December 2017. Mr. Keene's education and career have been dedicated to finance and banking, and he is a recent graduate of the American Bankers Association Graduate School of Banking in Madison, Wisconsin, where he also received the Executive Leadership Certificate from the Wisconsin School of Business. An Emmet County resident Mr. Keene was instrumental in establishing the Bank's full-service and drive-up branches in Petoskey. He has participated in a number of community and service organizations and currently serves on the board of the Cheboygan County Community Foundation, the American Banker Association's Government Relations Council, and the Michigan Bankers Association's Bank Management Committee and Michigan Bankers Workers Compensation Fund board. His banking experience, knowledge of the Northern Michigan market and commitment to remaining an independent community bank serving Northern Michigan residents qualify him for service on the board.

**Christopher B. Shepler** (age 58)

Mr. Shepler is the President of Shepler's Mackinac Island Ferry Service, a third-generation family business located in Mackinaw City, Michigan. He is licensed through the United States Coast Guard as a Master of the Great Lakes pilot. Mr. Shepler has served as a director of the Corporation and the Bank since 2014. He grew up in Northern Michigan, and throughout his career Mr. Shepler served on a number of local and national civic organizations and tourist-related boards. In addition to his experience as the co-owner of a successful multi-million-dollar business, employing more than 200 individuals on a seasonal basis, Mr. Shepler's contributions to the board include his knowledge of and familiarity with the Corporation and Bank's service area in the Mackinaw City and surrounding region, along with his understanding of the travel and tourism industry.

**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 Swadling (who serves as Chairman), Baker, Ellenberger, Eno, Hillesheim, Lieder, Redman, Shepler and Tromble. All members qualify as "independent directors" under the NYSE listing standards. All 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, as well as the 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 directors. 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, no 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 Corporation. Currently, Rick A. Tromble serves as Chairman and Matthew E. Keene serves as President and Chief Executive Officer. The Chairman of the Board serves as the lead director and presides at meetings excepting the Audit Committee meetings. The Audit Committee has its own Chairman who presides over the Audit Committee meetings. The Board of Directors believes this leadership structure is appropriate given the Bank's characteristics, as it allows for additional independent oversight of management decisions; it also permits the Chairman to direct his attention to governance matters while the President and Chief Executive Officer can focus on operational issues. The current leadership structure has been in place since 2005; although, it is not to say the Board of Directors would not make a change in the future under appropriate circumstances. The independent directors regularly meet in a closed session with the outsourced internal audit firm. The Board of Directors 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 of Directors and Audit Committee. Directors 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 of Directors.

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 2020 Annual Meeting.

## **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 its next regularly scheduled meeting. 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, P.O. Box 10, Cheboygan, Michigan 49721.

## **SHAREHOLDER PROPOSALS**

Under the Bylaws of the Corporation, any shareholder proposal to be considered at the Annual Meeting 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, no less than 90 days nor more than 120 days prior to the scheduled date of the Annual 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.

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

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

The 2020 Annual Report is available at no charge by written request submitted to Shareholder Relations, CNB Corporation, P.O. Box 10, Cheboygan, Michigan 49721 or by email to [registrar@cnbismybank.com](mailto:registrar@cnbismybank.com). The 2020 Annual Report can also be downloaded at <https://www.cnbismybank.com/about-us/shareholder-relations.html>.