



Citizens & Northern Corporation

CZNC NASDAQ

Banks

Market Capitalization USD:

\$180.61 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Charles H. Updegraff

Age: 59

CEO Since: 2010

	2009	2010	2011
Base Salary	\$348,000	\$301,133	\$316,133
Discretionary Bonus	\$0	\$180,680	\$189,680
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$55,386	\$64,109	\$70,062
TOTAL ANNUAL COMPENSATION	\$403,386	\$545,922	\$575,875
Increase in Post-Retirement Benefits	\$0	\$56,476	\$124,586
Stock Option Awards	\$32,754	\$0	\$42,591
Stock Awards	\$7,554	\$107,173	\$25,090
TOTAL COMPENSATION	\$443,694	\$709,571	\$768,142
Median of Other Named Executive Officers Total Compensation	\$236,982	\$245,332	\$283,288
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$7,981	\$0	\$1,841
TOTAL REALIZED EQUITY COMPENSATION	\$7,981	\$0	\$1,841

Proxy Date: 7 Mar 2012

Annual Meeting Date: 17 Apr 2012

Equity Reserves: 6.51%

Stock Option Run Rate: 0.47%

Citizens & Northern Corporation

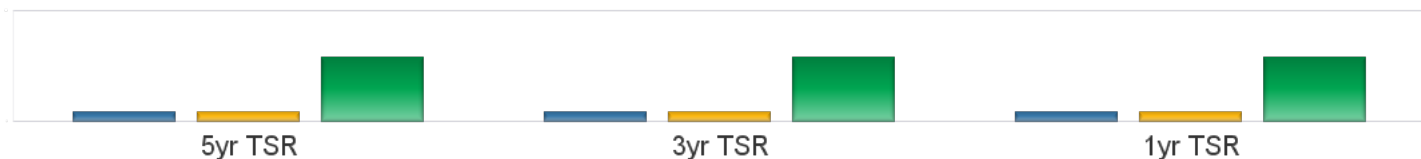
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ CZNC



Peer Comparisons (TRBC) =Banks

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CZNC	Citizens & Northern Corporation	\$443,694	\$709,571	\$768,142	\$180,612,704
PVTB	PrivateBancorp, Inc.	\$883,991	\$2,676,800		\$539,973,366
SRCE	1st Source Corporation	\$990,891	\$1,871,600		\$504,359,747
BANF	BancFirst Corporation	\$439,368	\$435,671		\$501,562,939
PACW	PacWest Bancorp	\$1,505,375	\$3,400,078		\$494,599,605
INDB	Independent Bank Corp.	\$1,924,710	\$1,982,595		\$466,642,599
WSBC	WesBanco, Inc.	\$518,397	\$874,315	\$949,750	\$460,954,221

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Alliance Financial Corp., ESB Financial Corp., AmeriServe Financial, Inc., Orrstown Financial Service, Inc., Arrow Financial Corp., Parkvale Financial, Corp., Canandaigua National Corp., Peapack-Gladstone Financial Corp., Center Bancorp, Inc., Roma Financial Corp., Chemung Financial Corp., VIST Financial Corp., CNB Financial Corp.

Performance Peer Group

Alliance Financial Corp., ESB Financial Corp., AmeriServe Financial, Inc., Orrstown Financial Service, Inc., Arrow Financial Corp., Parkvale Financial, Corp., Canandaigua National Corp., Peapack-Gladstone Financial Corp., Center Bancorp, Inc., Roma Financial Corp., Chemung Financial Corp., VIST Financial Corp., CNB Financial Corp.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Edward H. Owlett	Member	57	Male	18	Outside Related
James E. Towner	Member	65	Male	12	Outside Related
Jan E. Fisher	Member	57	Female	10	Outside Related
Leo F. Lambert	Member	58	Male	11	Outside Related
Leonard Simpson	Member	63	Male	23	Outside Related
R. Bruce Haner	Member	64	Male	14	Outside Related

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