



Ephrata National Bank

You'll feel the difference.



Ephrata National Bank

Employee Stock Purchase Plan

Frequently Asked Questions

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INTRODUCTION

Through the Ephrata National Bank Employee Stock Purchase Plan (ESPP), you have the opportunity to purchase common shares of Ephrata National Bank. After each purchase, you decide the best use for the stock you acquire through the ESPP. After six months of holding, You can sell your shares for immediate income, use it in the future, or hold it for your long-term financial security.

When you participate in the ESPP you can:

- Purchase Ephrata National Bank stock at a 15% discount
- Contribute easily with automatic payroll deductions
- Save with no brokerage fees on share purchases

The ESPP is administered by Computershare Trust Company, N.A. (“Computershare”), which will make share purchases on your behalf. Be sure to review the Frequently Asked Questions as they provide helpful answers to many questions you may have about the ESPP.

GENERAL

What is the Ephrata National Bank Employee Stock Purchase Plan?

The Ephrata National Bank Employee Stock Purchase Plan (“ESPP”) is a benefit offered to you by Ephrata National Bank (“Company”) that gives you a convenient and easy way to become a shareholder of the Company. Participation in the ESPP allows you to purchase shares of common stock of the Company (referred to herein as “Company shares”) through automatic payroll deductions.

Where is Ephrata National Bank stock traded?

The stock is traded on the OTCQX market.

Who services our ESPP?

The ESPP is administered by Computershare Trust Company, N.A. (“Computershare”).

What services does Computershare provide?

Computershare processes the enrollments, terminations, purchases and sale transactions under the ESPP. Computershare makes it easy for you to manage your investments with the Computershare Employee Online website and Interactive Voice Response telephone system (“IVR”). They provide around-the-clock account

management, accessible participant service representatives, quarterly statements that show the current market value of your account, and annual tax forms detailing reportable tax information.

Should I participate in the ESPP?

Participation in the ESPP is completely voluntary. Each employee needs to weigh the potential benefits against the potential risks involved in the buying and selling of company shares. However, if you choose to participate, there are certain benefits. When you participate you can:

- Purchase Ephrata National Bank stock at a 15% discount
- Contribute easily with automatic payroll deductions
- Save with no brokerage fees on share purchases

Where do I get more information?

For more information on the ESPP including official plan documentation, please visit the Resources Page on the HRIS system. You may contact Computershare, the ESPP administrator, toll-free at 866-748-5149 or 781-575-2776. Representatives are available Monday – Friday, 3:00 a.m. - 9:00 p.m. ET in accordance with the New York Stock Exchange business calendar.

HOW THE ESPP WORKS

How does an ESPP work?

You elect to have a certain amount deducted from your paycheck on an after-tax basis. These contributions are collected during a timeframe known as the offering period. At the end of the offering period, your contributions are used to purchase Company shares on what is known as the purchase date. After six months from purchase, you have the option to hold the shares with Computershare, transfer them to a brokerage account, or sell them.

What is the offering period?

The offering period is the period of time when employee contributions are collected through automatic payroll deductions.

What is the purchase date?

The purchase date is the last business day or trading day of the offering period. On this day, all contributions collected throughout the offering period are used to purchase company shares.

What is the Purchase Price?

The purchase price is determined by the average of the fair market value price of the company stock on the purchase date.

The Ephrata National Bank ESPP offers a 15% discount on the purchase price. This means the actual purchase price is 85% of fair market value price on the purchase date.

What is a fair market value price?

Fair market value is the price the company stock sells for on the open market. This is the price used to determine the initial purchase price on the purchase date prior to applying any discount, if applicable.

ELIGIBILITY AND ENROLLMENT**Who is eligible to participate in the Plan?**

To be eligible to participate, you must meet the following criteria:

- Active employees of Ephrata National Bank.
- Be employed for at least thirty (30) consecutive calendar days and at the beginning of a quarter.

When may I enroll?

You may enroll in the ESPP during an enrollment period. Please contact your Total Rewards department to find out when is the next enrollment period.

How do I enroll?

After meeting eligibility requirements, any eligible employee may become a participant in the Plan by completing an ENB Financial Corp "Employee Stock Purchase Plan Program Subscription Agreement" Form provided by the Bank and filing it with the Bank's Total Rewards department.

After I enroll, am I automatically enrolled in the ESPP for future purchase periods?

Yes, your contributions will continue unless you change your election to zero or withdraw from the Plan.

Will my payroll deductions earn interest while being accumulated?

No, your deductions will be held in a non-interest bearing account until they are used to purchase Company shares.

How much may I invest?

For each pay period, you may elect to contribute anywhere from .5% to 20% of your after-tax paycheck.

In addition, on a calendar year basis, your total contribution cannot exceed \$25,000.

How do I change my elections?

You may increase (up to the 20% maximum) or decrease your payroll deductions by completing the on-line process established in the HRIS system. The new rate will become effective on the next payroll date following your completion of the on-line process, if timely completed and submitted.

How do I cancel my elections?

During an offering period, you may elect to withdraw from the ESPP and receive a refund for the accumulated deductions not used to purchase Company shares in your pay check. Simply cease participation in the Plan and stop payroll deductions altogether at any time by making changes to your contribution in the yearly enrollment module within the HRIS system and then completing a notice of withdrawal of participation in advance of the purchase date.

Your request to cancel your contributions will be effective for future pay periods as soon as administratively possible following receipt of your request.

PURCHASE OF SHARES**Are all of my accumulated contributions used to purchase shares?**

Based on the ESPP provisions, your contributions will be used to purchase full shares. Any amount leftover from your contributions will be held in your account and used to purchase shares on the next purchase date.

When my payroll deductions are used to purchase shares, will I receive a stock certificate?

No, certificates are not sent. The Company shares purchased through the ESPP will be deposited into an ESPP account in your name that is maintained by Computershare.

SELLING SHARES

When may I sell my purchased shares?

You may sell your shares at after six months once they are deposited into your account maintained by Computershare.

How do I sell my shares?

You can sell your Company shares by accessing your account in one of two ways:

- **Online** – access <https://eqadmin.na.equateplus.com/EquatePlus/?login> and login with your credentials. Click on the “Sell” tab and follow the steps to complete your sales request.
- **Participant Service Representative** – dial 866-748-5149 or 781-575-2776. Representatives are available Monday - Friday, 3:00 a.m. - 9:00 p.m. Eastern Time excluding NYSE holidays.

How will my Company shares be sold?

Unless specifically requested, your Company shares will be sold at market on a first-in, first-out basis (your oldest shares will be sold first). For any transaction submitted outside of the NYSE trading schedule of 9:30 a.m. – 4:00 p.m. ET, your shares will be sold when the stock exchange opens. You may also set a limit order where you may select a price at which you would like your shares to be sold. When that price is reached on the open market, your shares will automatically be sold.

What are the fees associated with selling shares purchased under the ESPP?

All commissions and fees on purchases are paid for by Ephrata National Bank. You are only responsible for any commissions and fees related to the sale of stock.

TAXES

Tax consequences of participating in the ESPP may differ for each participant in the ESPP. Tax rates and rules are subject to change at any time. Certain U.S. federal income tax consequences are summarized below. However, we do not attempt to deal with any of the special provisions that could apply to your particular situation. In addition, income taxation under state, local and foreign tax law may differ substantially from the U.S. federal income tax consequences we describe here. Neither Ephrata National Bank nor Computershare assumes any responsibility in connection with the income tax liability of any individual who participates in the ESPP (or his or her beneficiary).

Accordingly, you are urged to consult your own tax advisor to determine the specific U.S. federal, state, local and foreign tax consequences applicable to you.

What are the tax consequences of selling my shares purchased through the ESPP?

When you sell your shares, if the share price has gone up from the purchase price, you are responsible for paying tax on this gain.

PLAN ACCOUNT MANAGEMENT

How do I access my account online?

To access your account through Computershare's online website, you will need a User ID and password. The first time you access your account you will be required to create a unique Username and password.

Step 1: Go to <https://egadmin.na.equateplus.com/EquatePlus/?login>

Step 2: Complete the Registration Page

You will be prompted to enter your login credentials, create a personal site seal and select your security questions. After you have successfully activated your account and agreed to the website's terms, you can manage your account including making new ESPP elections, changing or cancelling your elections, viewing your account balance and selling shares.

TERMINATION FROM THE ESPP

What happens to my ESPP shares if I leave the Company?

Your contributions will automatically end and any contributions you have made for the current offering period will be applied to the purchase of shares for that offering period. If you have shares in your ESPP account when your employment ends, you can do any of the following with your shares:

- Have Computershare sell your shares
- Transfer your shares to a brokerage account

MISCELLANEOUS

Will I receive dividends on my ESPP Company shares?

Yes. The shares purchased through the ESPP are common shares and as such work the same as Company shares purchased on the open market.

Why do I need to complete an IRS Form W-9?

To prevent backup withholding with respect to any Company shares sold under the ESPP, each ESPP participant is required to complete an IRS Form W-9, which certifies that such participant's social security number is correct and that such participant is exempt from backup withholding.

Are my rights to purchase Company shares under the ESPP assignable?

No, purchase rights granted under the ESPP are not assignable or transferable.

Can the ESPP provisions be amended or can the ESPP be cancelled in the future?

Generally, the Board of Directors may from time to time alter, amend, suspend or terminate the ESPP or alter or amend any and all rights to purchase Company shares under the ESPP or terminate any offering (or future offerings), unless stockholder approval is necessary for such action to comply with relevant tax or regulatory requirements. All participants will be given notice of any action that affects an ongoing offering. Upon termination of the ESPP for any reason, any of your accumulated but unused payroll deductions will be returned to you promptly.

As an ESPP participant, will I have voting rights?

Once you purchase Company shares under the ESPP, you will be entitled to voting rights with respect to those shares. You will have the right to attend and vote at any Company stockholder meetings and other stockholder meetings that may be held. Each Company share you hold entitles you to one vote on each matter submitted for a vote.