

MID PENN BANCORP INC  
Form 424B4  
October 11, 2017  
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**Filed Pursuant to Rule 424(b)(4)**  
**File Number 333-220020**

### **Joint Proxy Statement/Prospectus**

## **MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On March 29, 2017, Mid Penn Bancorp, Inc., or Mid Penn, Mid Penn Bank, and The Scottsdale Bank & Trust Company, or Scottsdale, entered into a merger agreement under which Scottsdale will merge with and into Mid Penn Bank, with Mid Penn Bank remaining as the surviving entity. Before we complete the merger, the shareholders of Mid Penn and Scottsdale must approve and adopt the merger agreement.

Mid Penn shareholders will vote to adopt the merger agreement and on the other matters described below at a special meeting of shareholders to be held at 9:00 a.m., local time, on November 17, 2017 at the Halifax Area Ambulance and Rescue Association, Inc., 31 Bunker Hill Road, Halifax, Pennsylvania 17032. Scottsdale shareholders will vote to adopt the merger agreement and on the other matters described below at a special meeting of shareholders to be held at 2:00 p.m., local time, on November 17, 2017 at the Pleasant Valley Country Club, 440 Pleasant Valley Road, Connellsville, Pennsylvania 15425.

If the merger is completed, Scottsdale shareholders will have the right to receive for each share of Scottsdale common stock they own, at their election, (i) \$1,166 in cash or (ii) a ratio of a share (the Exchange Ratio) of Mid Penn common stock determined by dividing (y) \$1,166 by (z) the 10 trading day per share volume-weighted average price of the Mid Penn common stock on the date that is five business days prior to the closing of the merger (the Average Price), provided that in no event may the exchange ratio be less than 38.88 or greater than 44.86, respectively. Scottsdale shareholders may also elect to receive a combination of cash and Mid Penn common stock. All such elections are subject to adjustment pursuant to the allocation and proration provisions described in this joint proxy statement/prospectus whereby at least 90% of the shares of Scottsdale common stock outstanding as of the effective time of the merger (approximately 45,647 shares) will be exchanged for shares of Mid Penn common stock and up to 10% of the outstanding shares (approximately 5,071 shares) of Scottsdale common stock will be exchanged for cash (however, the percentage could be adjusted down to 85% in the event that shareholders perfecting their dissenters rights reaches 15% of the outstanding shares of Scottsdale common stock), as further described in the attached joint proxy statement/prospectus. Cash will be paid in lieu of any fractional shares. If the merger is completed Mid Penn will issue between 1,774,724 and 2,275,209 shares of common stock and pay up to approximately \$5,913,719 in cash in exchange for the outstanding shares of common stock of Scottsdale upon consummation of the merger, or an aggregate of approximately \$59,137,188 in cash and stock. However, Mid Penn may adjust the merger consideration described above if Scottsdale exercises its right to terminate the merger if both (a) average of the daily closing sale prices of a share of Mid Penn common stock as reported on Nasdaq for the 20 consecutive trading days immediately preceding the later of (1) the date on which all regulatory approvals, and waivers, if applicable, necessary for consummation of the merger and the transactions contemplated by the merger agreement have been received or (2) the

date of the meeting of Scottsdale shareholders is less than \$19.50, and (b) the decrease in the price of Mid Penn common stock is more than 20% greater than the decrease in the SNL Small Cap Bank & Thrift Index during the same period.

Pursuant to the terms of the merger agreement, at least 90% of the total number of outstanding shares of Scottsdale common stock will be converted into Mid Penn common stock, and the remaining outstanding shares of Scottsdale common stock will be converted into cash. As a result, if more Scottsdale shareholders make valid elections to receive cash than is available as merger consideration under the merger agreement, those Scottsdale shareholders electing cash may have such over-subscribed consideration proportionately reduced and substituted with Mid Penn common stock. The material federal income tax consequences of the merger to Scottsdale shareholders will depend on whether cash, Mid Penn common stock, or a combination of cash and Mid Penn common stock is received in exchange for shares of Scottsdale common stock and are discussed in *Material United States Federal Income Tax Consequences of the Merger*, beginning on page 86.

The common stock of Mid Penn trades on the Nasdaq Global Select Market under the symbol **MPB** and the common stock of Scottsdale trades on the OTC Pink Markets under the symbol **SDLJ**. On March 28, 2017, which was the last trading date preceding the public announcement of the proposed merger, the closing price of Mid Penn common stock was \$27.25 per share. Based upon this price equaling the Average Price with respect to the stock consideration, upon completion of the merger, the exchange ratio would be 42.79. On September 29, 2017, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of Mid Penn common stock was \$29.40 per share, which would result in an exchange ratio of 39.92. If the Average Price of Mid Penn's common stock is between \$25.99 and \$29.99 then each share of Scottsdale common stock will be entitled to be exchanged for Mid Penn common stock worth \$1,166 based on the Average Price. If the Average Price for Mid Penn's common stock is below \$25.99 then each share of Scottsdale common stock will be entitled to be exchanged for 44.86 shares of Mid Penn common stock, valued at less than \$1,166 based on the Average Price. The market price of both Mid Penn common stock and Scottsdale common stock will fluctuate before the completion of the merger, including from the Average Price; therefore, you are urged to obtain current market quotations for Mid Penn common stock and Scottsdale common stock.

The Mid Penn board of directors has determined that the merger is advisable and in the best interests of Mid Penn and the Mid Penn board of directors unanimously recommends that the Mid Penn shareholders vote **FOR** the adoption of the merger agreement and **FOR** the approval of the other proposals described in this joint proxy statement/prospectus.

The Scottsdale board of directors has determined that the merger is advisable and in the best interests of Scottsdale and the Scottsdale board of directors unanimously recommends that the Scottsdale shareholders vote **FOR** the adoption of the merger agreement and **FOR** the approval of the other proposals described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the annexes hereto and the documents incorporated by reference herein, carefully because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information under the section entitled Risk Factors beginning on page 33.** You can also obtain information about Mid Penn from documents that it has filed with the Securities and Exchange Commission.

/s/ Rory G. Ritrievi  
Rory G. Ritrievi  
President and Chief Executive Officer  
  
Mid Penn Bancorp, Inc.

/s/ Donald F. Kiefer  
Donald F. Kiefer  
President and Chief Executive  
Officer  
The Scottsdale Bank & Trust  
Company

**The shares of Mid Penn common stock to be issued to Scottdale shareholders in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the Mid Penn common stock to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

The date of this joint proxy statement/prospectus is October 4, 2017, and it is first being mailed or otherwise delivered to shareholders on or about October 11, 2017.

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**MID PENN BANCORP, INC.**  
**349 UNION STREET**  
**MILLERSBURG, PENNSYLVANIA 17061**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON FRIDAY, NOVEMBER 17, 2017**

TO THE SHAREHOLDERS OF MID PENN BANCORP, INC.:

**NOTICE IS HEREBY GIVEN** that a special meeting of shareholders of Mid Penn Bancorp, Inc., or Mid Penn, will be held at 9:00 a.m., local time, on November 17, 2017, at the Halifax Area Ambulance and Rescue Association, Inc., 31 Bunker Hill Road, Halifax, Pennsylvania 17032, to consider and vote on:

1. adoption of the Agreement and Plan of Merger, dated March 29, 2017, by and among Mid Penn, Mid Penn Bank, a wholly-owned subsidiary of Mid Penn, and The Scottdale Bank & Trust Company, or Scottdale, which provides for, among other things, the merger of Scottdale with and into Mid Penn Bank; and
2. a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement.

These items are described in more detail in the accompanying joint proxy statement/prospectus and its annexes. You should read these documents in their entirety before voting. We have fixed October 3, 2017 as the record date for determining those Mid Penn shareholders entitled to vote at the special meeting. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Mid Penn and unanimously recommends that you vote **FOR** the proposal to adopt the merger agreement. Your board of directors also recommends that you vote **FOR** proposal 2 listed above. In accordance with the terms of the merger agreement, each director and executive officer of Mid Penn has agreed to vote all shares of Mid Penn common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated by the merger agreement.

**Your vote is very important, regardless of the number of shares of Mid Penn common stock that you own.** We cannot complete the merger unless Mid Penn's shareholders approve the merger agreement.

Even if you plan to attend the special meeting in person, Mid Penn requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or Internet prior to the special meeting to ensure that your shares of Mid Penn common stock will be represented at the special meeting. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. **If you fail to submit a proxy or to attend the special meeting and vote in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, your shares of Mid Penn common stock will not be counted and will have the same effect as a vote against the approval of the merger agreement.**

We urge you to vote as soon as possible so that your shares will be represented.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Cindy L. Wetzel

Cindy L. Wetzel

Corporate Secretary

Millersburg, Pennsylvania

October 11, 2017

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**THE SCOTTDALE BANK & TRUST COMPANY**

**150 PITTSBURGH STREET**

**SCOTTDALE, PENNSYLVANIA 15683**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON FRIDAY, NOVEMBER 17, 2017**

TO THE SHAREHOLDERS OF SCOTTDALE BANK & TRUST COMPANY:

**NOTICE IS HEREBY GIVEN** that a special meeting of shareholders of The Scottdale Bank & Trust Company, or Scottdale, will be held at 2:00 p.m., local time, on November 17, 2017, at the Pleasant Valley Country Club, 440 Pleasant Valley Road, Connellsville, Pennsylvania 15425, to consider and vote on:

1. adoption of the Agreement and Plan of Merger, dated March 29, 2017, by and among Mid Penn Bancorp, Inc., or Mid Penn, Mid Penn Bank, a wholly-owned subsidiary of Mid Penn, and Scottdale, which provides for, among other things, the merger of Scottdale with and into Mid Penn Bank;
2. a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement.

All of these items, including the proposal to approve the merger agreement and the merger, are described in more detail in the accompanying joint proxy statement/prospectus and its appendices. You should read these documents in their entirety before voting. We have fixed September 29, 2017 as the record date for determining those Scottdale shareholders entitled to vote at the special meeting. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Scottdale and unanimously recommends that you vote **FOR** the proposal to adopt the merger agreement. Your board of directors also recommends that you vote **FOR** proposal 2 listed above. In accordance with the terms of the merger agreement, each director and executive officer of Scottdale has agreed to vote all shares of Scottdale common stock owned by him in favor of adoption of the merger agreement and the transactions contemplated thereby.

We urge you to vote as soon as possible so that your shares will be represented.

**Your vote is very important, regardless of the number of shares of Scottdale common stock that you own. We cannot complete the merger unless Scottdale's shareholders approve the merger agreement.**

Even if you plan to attend the special meeting in person, Scottdale requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope prior to the special meeting to ensure that your shares of Scottdale common stock will be represented at the special meeting. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. **If you fail to submit a proxy or to attend the special meeting and vote in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of Scottdale common stock will not be counted and will have the same effect as a vote against the approval of the merger agreement.**

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Robert B. Ferguson

Robert B. Ferguson

Corporate Secretary

Scottdale, Pennsylvania

October 11, 2017

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**WHERE YOU CAN FIND MORE INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Mid Penn from other documents that Mid Penn has filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that are contained in or incorporated by reference into this joint proxy statement/prospectus. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

You may request copies of this joint proxy statement/prospectus and any of the documents incorporated by reference into this joint proxy statement/prospectus or other information concerning Mid Penn, without charge, by telephone or written request directed to:

Mid Penn Bancorp, Inc.

349 Union Street

Millersburg, Pennsylvania 17061

Attention: Investor Relations

(717) 692-7105

You may also request a copy of this proxy statement/prospectus and any of the documents incorporated by reference into this joint proxy statement/prospectus or other information concerning Scottdale, without charge, by telephone or written request directed to:

The Scottdale Bank & Trust Company

150 Pittsburgh Street

Scottdale, Pennsylvania 15683

Attention: Corporate Secretary

(724) 887-8330

**To obtain timely delivery of these documents, you must request the information no later than November 8, 2017 in order to receive them before Mid Penn's special meeting of shareholders and no later than November 8, 2017 in order to receive them before Scottdale's special meeting of shareholders.**

The joint proxy statement/prospectus is also available on Mid Penn's website at [www.midpennbank.com](http://www.midpennbank.com). The information on Mid Penn's website is not part of this joint proxy statement/prospectus. References to Mid Penn's and Scottdale's websites in this joint proxy statement/prospectus are intended to serve as textual references only.

**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Mid Penn (File No. 333-220020, constitutes a prospectus of Mid Penn under the Securities Act of 1933, as amended, which we refer



to as the Securities Act, with respect to the shares of common stock, par value \$1.00 per share, of Mid Penn, which we refer to as Mid Penn common stock, to be issued pursuant to the Agreement and Plan of Merger, dated as of March 29, 2017, by and among Mid Penn, Mid Penn Bank and Scottsdale, which we refer to as the merger agreement. This document also constitutes a proxy statement of Mid Penn and Scottsdale under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meetings, at which each of Mid Penn and Scottsdale shareholders will be asked to vote to approve the merger agreement. Mid Penn has supplied all information contained or incorporated by reference into this joint proxy statement/prospectus relating to Mid Penn, and Scottsdale has supplied all information contained or incorporated by reference into this joint proxy statement/prospectus relating to Scottsdale.

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You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. Mid Penn and Scottdale have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated October 4, 2017, and you should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to Scottdale shareholders nor the issuance by Mid Penn of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

*The following questions and answers briefly address some commonly asked questions about the merger (as defined below) and the shareholder meetings. They may not include all the information that is important to the shareholders of Mid Penn and Scottdale. Shareholders of Mid Penn and Scottdale should each read carefully this entire joint proxy statement/prospectus, including the annexes and other documents referred to in this document.*

***Questions about the Merger***

**Q: What is the merger?**

**A:** Mid Penn, Mid Penn Bank and Scottdale have entered into an Agreement and Plan of Merger, dated March 29, 2017, which is referred to as the merger agreement. A copy of the merger agreement is attached as Annex A to, and is incorporated by reference in, this joint proxy statement/prospectus. The merger agreement contains the terms and conditions of the proposed business combination of Mid Penn Bank and Scottdale. Under the merger agreement, Scottdale will merge with and into Mid Penn Bank, with Mid Penn Bank remaining as the surviving entity. We refer to this transaction as the merger.

**Q: Why am I receiving these materials?**

**A:** This document constitutes both a joint proxy statement of Mid Penn and Scottdale and a prospectus of Mid Penn. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective shareholders. It is a prospectus because Mid Penn will issue shares of its common stock in exchange for shares of Scottdale common stock in the merger.

Mid Penn is sending these materials to its shareholders to help them decide how to vote their shares of Mid Penn common stock with respect to the proposed merger and the other matters to be considered at the Mid Penn special meeting described in *The Mid Penn Special Meeting*, beginning on page 90.

Scottdale is sending these materials to its shareholders to help them decide how to vote their shares of Scottdale common stock with respect to the proposed merger and the other matters to be considered at the Scottdale special meeting described in *The Scottdale Special Meeting*, beginning on page 170.

Information about these meetings, the merger and the other business to be considered at the meetings is contained in this joint proxy statement/prospectus. The merger cannot be completed unless shareholders of Mid Penn and Scottdale each approve the merger.

**Q: Why is Mid Penn proposing the merger?**

**A:** The Mid Penn board of directors, in unanimously determining that the merger is in the best interests of Mid Penn and its shareholders, considered a number of key factors that are described under the heading *The*



*Merger Mid Penn s Reasons for the Merger*, beginning on page 56.

**Q: Why is Scottdale proposing the merger?**

**A:** The Scottdale board of directors, in unanimously determining that the merger is in the best interests of Scottdale and its shareholders, considered a number of key factors that are described under the heading *The Merger Scottdale s Reasons for the Merger*, beginning on page 43.

**Q: What will Scottdale shareholders receive in the merger, and how will this affect holders of Mid Penn common stock?**

**A:** Upon completion of the merger, Scottdale shareholders will be entitled to elect to receive, for each share of Scottdale common stock, subject to the election and adjustment procedures described in this joint proxy statement/prospectus, (i) \$1,166 in cash or (ii) a ratio of a share (the exchange ratio ) of Mid Penn common

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stock determined by dividing (y) \$1,166 by (z) the 10 trading day per share volume-weighted average price for Mid Penn common stock ending on the date that is five business days prior to the closing of the merger. At the closing of the merger, up to 10% of the outstanding shares of Scottsdale common stock will be converted into the right to receive cash and the remaining outstanding shares of Scottsdale common stock will be converted into the right to receive Mid Penn common stock. Because of the number of shares of Mid Penn common stock being issued in the merger, the percentage ownership interest in Mid Penn represented by the existing shares of Mid Penn common stock will be diluted. Mid Penn shareholders will not receive any merger consideration and will continue to own their existing shares of Mid Penn common stock after the merger.

**Q: What equity stake will Scottsdale shareholders hold in Mid Penn immediately following the merger?**

**A:** Following completion of the merger, assuming Scottsdale shareholders elect to convert 10% of the total outstanding shares of Scottsdale common stock into cash and 90% of the total outstanding shares of Scottsdale common stock into Mid Penn stock, current Mid Penn shareholders will own in the aggregate 69.9% of the outstanding shares of Mid Penn common stock and Scottsdale shareholders will own approximately 30.1% of the outstanding shares of Mid Penn common stock.

**Q: What is the value of the per share merger consideration?**

**A:** On March 28, 2017, which was the last trading date preceding the public announcement of the proposed merger, the closing price of Mid Penn common stock was \$27.25 per share. Based on this price equaling the Average Price with respect to the stock consideration, upon completion of the merger, the exchange ratio would be 42.79. On September 29, 2017, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of Mid Penn common stock was \$29.40 per share, which would result in an exchange ratio of 39.92. If the Average Price of Mid Penn's common stock is between \$25.99 and \$29.99 then each share of Scottsdale common stock will be entitled to be exchanged for Mid Penn common stock worth \$1,166 based on the Average Price. If the Average Price for Mid Penn's common stock is below \$25.99 then each share of Scottsdale common stock will be entitled to be exchanged for 44.86 shares of Mid Penn common stock, valued at less than \$1,166 based on the Average Price. The market price of both Mid Penn common stock and Scottsdale common stock will fluctuate before the completion of the merger, including from the Average Price; therefore, you are urged to obtain current market quotations for Mid Penn common stock and Scottsdale common stock.

The following table shows (i) hypothetical Average Prices of Mid Penn common stock with respect to the stock consideration, upon completion of the merger, (ii) the corresponding exchange ratio, (iii) the equivalent value of the merger consideration per share of Scottsdale common stock, calculated by multiplying the applicable Average Price by an exchange ratio of Mid Penn common stock that Scottsdale shareholders would receive in the merger for each share of Scottsdale common stock, and (iv) the per share cash consideration.

Historical	Exchange	Stock	Cash
Average	Ratio	Consideration	Consideration
Price of		Equivalent	Per Share
		Value	Value

## Mid Penn

Common Stock			
\$32.00	38.88	\$1,244.16	\$1,166.00
\$31.00	38.88	\$1,205.28	\$1,166.00
\$30.00	38.87	\$1,166.00	\$1,166.00
\$29.00	40.21	\$1,166.00	\$1,166.00
\$28.00	41.64	\$1,166.00	\$1,166.00
\$27.00	43.19	\$1,166.00	\$1,166.00
\$26.00	44.85	\$1,166.00	\$1,166.00
\$25.00	44.86	\$1,121.50	\$1,166.00
\$24.00	44.86	\$1,076.64	\$1,166.00

*The market price of Mid Penn common stock will fluctuate prior to the merger and may be different from the hypothetical Average Price used in the above scenarios for calculating an exchange ratio. You should obtain current stock price quotations for the shares of Mid Penn common stock.*

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**Q: If I am a Scottdale shareholder, when must I elect the type of merger consideration that I prefer to receive?**

**A:** If you are a Scottdale shareholder and wish to elect the type of merger consideration you receive in the merger, you should carefully review and follow the instructions set forth in the election form, which is being separately mailed to Scottdale shareholders concurrently with or immediately following the mailing of this joint proxy statement/prospectus. You will need to sign, date and complete the election form and transmittal materials and return them to the exchange agent, ComputerShare, at the address given in the materials. The election deadline will be the date that is no later than five business days prior to the closing date for the merger. Because of the way the election and proration procedures work, even if you submit a properly completed and signed election form, it is still possible that you may not receive exactly the type of merger consideration you have elected. If you do not submit a properly completed and signed election form to the exchange agent by the election deadline, you will have no control over the type of merger consideration you may receive. If you hold shares in street name, you will have to follow your broker's instructions to make an election.

**Q: If I am a Scottdale shareholder, am I guaranteed to receive the type of merger consideration that I elect?**

**A:** No. If Scottdale shareholders elect to convert more than 10% of the total outstanding shares of Scottdale common stock into cash, then the exchange agent will follow the proration procedures outlined under the heading *The Merger Agreement Consideration to be Received in the Merger* and *The Merger Agreement Proration Procedures* to ensure that at least 90% of the aggregate merger consideration is paid in shares of Mid Penn common stock and the remaining consideration is paid in cash. We have been advised that Lawrence Keister & Company, which holds 25,804 shares of Scottdale common stock, will elect to convert more than 90% of their holdings of Scottdale common stock into shares of Mid Penn common stock.

**Q: What happens if I am eligible to receive a fraction of a share of Mid Penn common stock as part of the stock merger consideration?**

**A:** If the aggregate number of shares of Mid Penn common stock that you are entitled to receive as part of the stock merger consideration includes a fraction of a share of Mid Penn common stock, you will receive cash in lieu of that fractional share. See the section entitled *The Merger Agreement Stock Election* beginning on page 74 of this joint proxy statement/prospectus.

**Q: Who will be the directors and executive officers of the combined company following the merger?**

**A:** Following completion of the merger, the then current directors and executive officers of Mid Penn and Mid Penn Bank will continue in office. Additionally, Mid Penn will appoint Donald F. Kiefer, President and Chief Executive Officer and a director of Scottdale, or a mutually agreed upon qualified replacement candidate, to the board of directors of Mid Penn and Mid Penn Bank effective upon closing of the Merger.

**Q: When do you expect to complete the merger?**

**A:** Subject to the satisfaction or waiver of the closing conditions described under the section entitled, *The Merger Agreement Conditions to Completion of the Merger* beginning on page 84 of this joint proxy statement/prospectus, including receipt of shareholder approvals at the respective special meetings of Mid Penn and Scottsdale, and receipt of regulatory approvals, we currently expect to complete the merger by the fourth quarter of 2017. It is possible, however, that factors outside of either company's control could result in us completing the merger at a later time or not completing it at all.

**Q: What are the federal income tax consequences of the merger?**

**A:** The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the Internal Revenue Code. It is a condition to the completion of the merger that each of Mid Penn and Scottsdale receive a written opinion

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from their respective legal counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The federal tax consequences of the merger to shareholders of Scottsdale will depend primarily on whether they exchange their Scottsdale common stock solely for Mid Penn common stock, solely for cash or for a combination of Mid Penn common stock and cash. Scottsdale shareholders who exchange their shares solely for Mid Penn common stock should not recognize gain or loss except with respect to the cash they receive in lieu of a fractional share. Scottsdale shareholders who exchange their shares solely for cash should recognize gain or loss on the exchange. Scottsdale shareholders who exchange their shares for a combination of Mid Penn common stock and cash should recognize gain, but not any loss, on the exchange. The actual federal income tax consequences to Scottsdale shareholders of electing to receive cash, Mid Penn common stock or a combination of cash and stock will not be ascertainable at the time Scottsdale shareholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply.

**This tax treatment may not apply to all Scottsdale shareholders. Determining the actual tax consequences of the merger to Scottsdale shareholders can be complicated. Scottsdale shareholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each shareholder.** For further discussion of the material U.S. federal income tax consequences of the merger, see *Material United States Federal Income Tax Consequences of the Merger*, beginning on page 86.

### ***Questions about the Mid Penn Special Meeting***

#### **Q: What am I being asked to vote on at the Mid Penn special meeting?**

**A:** You are being asked to consider and vote on:

1. adoption of the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus; and
2. adjournment of the Mid Penn special meeting, if necessary, to solicit additional proxies.

#### **Q: How does the Mid Penn board of directors recommend that I vote my shares?**

**A:** The Mid Penn board of directors recommends that the Mid Penn shareholders vote their shares as follows:

FOR adoption of the merger agreement; and

FOR an adjournment of the Mid Penn special meeting, if necessary, to solicit additional proxies.

As of the record date, directors and executive officers of Mid Penn and their affiliates had the right to vote 320,789 shares of Mid Penn common stock, or 7.6% of the outstanding Mid Penn common stock entitled to be voted at the special meeting. Each of the directors and executive officers of Mid Penn has agreed to vote all shares of

Mid Penn common stock owned by him or her in favor of adoption of the merger agreement.

**Q: What do I need to do now?**

**A:** After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at the Mid Penn special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

**Q: Who is entitled to vote at the Mid Penn special meeting?**

**A:** Mid Penn shareholders of record as of the close of business on October 3, 2017, which is referred to as the Mid Penn record date.

**Q: How many votes do I have?**

**A:** Each outstanding share of Mid Penn common stock is entitled to one vote.

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**Q: How do I vote my Mid Penn shares?**

**A:** You may vote your Mid Penn shares by completing and returning the enclosed proxy card, by internet or by voting in person at the Mid Penn special meeting.

**Voting by Proxy.** You may vote your Mid Penn shares by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you submit a properly executed and dated proxy, but do not specify a choice on one of the proposals described in this joint proxy statement/prospectus, your proxy will be voted in favor of that proposal.

**Voting by Internet.** If you are a registered shareholder, you may vote electronically through the Internet by following the instructions included on your proxy card. If your shares are registered in the name of a broker or other nominee, you may be able to vote via the Internet. If so, the voting form your nominee sends you will provide Internet instructions.

**Voting by Phone.** Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call (888) 497-9677 and then follow the instructions.

**Voting in Person.** If you attend the Mid Penn special meeting, you may deliver your completed proxy card in person or may vote by completing a ballot that will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the special meeting.

**Q: Why is my vote important?**

**A:** Because the merger cannot be completed without the affirmative vote of a majority of the votes cast at the Mid Penn special meeting, every shareholder's vote is important.

**Q: If my shares of Mid Penn common stock are held in street name by my broker, will my broker automatically vote my shares for me?**

**A:** No. Your broker **CANNOT** vote your shares on any proposal at the Mid Penn special meeting without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you.

**Q: What if I fail to instruct my broker?**

**A:** If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal or any other proposal (a so-called "broker non-vote") at the Mid Penn special



meeting. For determining the number of votes cast with respect to the merger proposal, only those votes cast for or against the proposal are counted. Any broker non-votes submitted by brokers or nominees in connection with the special meeting, will not be counted as votes for or against for determining the number of votes cast, but will be treated as present for quorum purposes.

**Q: What constitutes a quorum for the Mid Penn special meeting?**

**A:** As of the Mid Penn record date, 4,240,754 shares of Mid Penn common stock were issued and outstanding, each of which will be entitled to one vote at the meeting. Under Mid Penn's bylaws, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast constitutes a quorum for the transaction of business at the special meeting. If you vote by proxy, your shares will be included for determining the presence of a quorum. Both abstentions and broker non-votes are also included for determining the presence of a quorum.

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**Q: Assuming the presence of a quorum, what is the vote required to approve the matters to be considered at the Mid Penn special meeting?**

**A:** The affirmative vote of a majority of the votes cast, in person or by proxy, at the Mid Penn special meeting is required to approve the proposals to approve and adopt the merger agreement and to adjourn the Mid Penn special meeting, if necessary, to solicit additional proxies, and any other matter that may properly come before the special meeting. Therefore, abstentions and broker non-votes will not affect the outcome of the proposal to approve the merger or the adjournment proposal.

**Q: Do I have appraisal or dissenters rights?**

**A:** No. Under Pennsylvania law, holders of Mid Penn common stock will not be entitled to exercise any appraisal rights in connection with the merger.

**Q: Can I attend the Mid Penn special meeting and vote my shares in person?**

**A:** Yes. All shareholders, including shareholders of record and those who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Mid Penn common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

**Q: Can I change my vote?**

**A:** Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date (if you submitted your proxy by Internet or by telephone, you can vote again by Internet or telephone), (2) delivering a written revocation letter to Mid Penn's Corporate Secretary, or (3) attending the special meeting in person and voting by ballot at the special meeting. Mid Penn's Corporate Secretary's mailing address is Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061, Attention: Corporate Secretary.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy. A shareholder may change his or her vote up and until the time that votes are counted but not thereafter.

**Q: How will proxies be solicited and who will bear the cost of soliciting votes for the Mid Penn special meeting?**

**A:** Mid Penn has engaged [Georgeson LLC] ( Georgeson ) to act as the proxy solicitor and to assist in the solicitation of proxies for the Mid Penn special meeting of shareholders. Mid Penn has agreed to pay Georgeson approximately \$6,500, plus reasonable out-of-pocket expenses, for such services and will also indemnify Georgeson against certain claims, costs, damages, liabilities, and expenses.

Mid Penn will bear the cost of preparing and assembling these proxy materials for the Mid Penn special meeting. The cost of printing and mailing these proxy materials will be shared equally between Mid Penn and Scottsdale. The solicitation of proxies or votes for the Mid Penn special meeting may also be made in person, by telephone, or by electronic communication by Mid Penn's directors, officers, and employees, none of whom will receive any additional compensation for such solicitation activities. In addition, Mid Penn may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

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**Q: Can additional proposals be presented at the Mid Penn special meeting?**

**A:** No. Other than the proposals described in this joint proxy statement/prospectus, no additional matters can be presented for a vote at the special meeting.

**Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?**

**A:** Yes. You should consider the risk factors set out in the section entitled *Risk Factors* beginning on page 33 of this joint proxy statement/prospectus.

**Q: What if I hold stock of both Mid Penn and Scottdale?**

**A:** If you hold shares of both Mid Penn and Scottdale, you will receive two separate packages of proxy materials. A vote as a Mid Penn shareholder for the merger proposal or any other proposals to be considered at the Mid Penn special meeting will not constitute a vote as a Scottdale shareholder for the merger proposal or any other proposals to be considered at the Scottdale special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Mid Penn or Scottdale, or submit separate proxies as both a Mid Penn shareholder and a Scottdale shareholder as instructed.

**Q: Whom should I contact if I have additional questions?**

**A:** If you are a Mid Penn shareholder and have any questions about the merger, need assistance in submitting your proxy or voting your shares of Mid Penn common stock, or if you need additional copies of this document or the enclosed proxy card, you should contact Georgeson, the proxy solicitor for Mid Penn at (888) 497-9677. You may also contact:

Mid Penn Bancorp, Inc.

349 Union Street

Millersburg, Pennsylvania 17061

Attention: Investor Relations

Telephone: (717) 692-7105

***Questions about the Scottdale Special Meeting***

**Q: What am I being asked to vote on at the Scottdale special meeting?**

**A:** You are being asked to consider and vote on:

1. adoption of the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus; and
2. adjournment of the Scottsdale special meeting, if necessary, to solicit additional proxies.

**Q: How does the Scottsdale board of directors recommend that I vote my shares?**

**A:** The Scottsdale board of directors recommends that the Scottsdale shareholders vote their shares as follows:

FOR adoption of the merger agreement; and

FOR an adjournment of the Scottsdale special meeting, if necessary, to solicit additional proxies.

As of the record date, directors and executive officers of Scottsdale and their affiliates had the right to vote 28,913 shares of Scottsdale common stock, or 57% of the outstanding Scottsdale common stock entitled to be voted at the Scottsdale special meeting. Each of the directors and executive officers of Scottsdale has agreed to vote all shares of Scottsdale common stock owned by him in favor of adoption of the merger agreement.

**Q: What do I need to do now?**

**A:** After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at the Scottsdale special

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meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

**Q: Who is entitled to vote at the Scottdale special meeting?**

**A:** Scottdale shareholders of record as of the close of business on September 29, 2017, which is referred to as the Scottdale record date, are entitled to notice of, and to vote at, the Scottdale special meeting.

**Q: How many votes do I have?**

**A:** Each outstanding share of Scottdale common stock is entitled to one vote.

**Q: How do I vote my Scottdale shares?**

**A:** You may vote your Scottdale shares by completing and returning the enclosed proxy card or by voting in person at the Scottdale special meeting.

**Voting by Proxy.** You may vote your Scottdale shares by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you submit a properly executed and dated proxy, but do not specify a choice on one of the proposals described in this joint proxy statement/prospectus, your proxy will be voted in favor of that proposal.

**Voting in Person.** If you attend the Scottdale special meeting, you may deliver your completed proxy card in person or may vote by completing a ballot that will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the Scottdale special meeting.

**Q: Why is my vote important?**

**A:** Because the merger cannot be completed without the affirmative vote of the holders of two-thirds of the outstanding shares of Scottdale common stock, every shareholder's vote is important.

**Q: If my shares of Scottdale common stock are held in street name by my broker, will my broker automatically vote my shares for me?**

**A:** No. Your broker **CANNOT** vote your shares on any proposal at the Scottdale special meeting without instructions from you. You should instruct your broker as to how to vote your shares, following the directions

your broker provides to you. Please check the voting form used by your broker.

**Q: What if I fail to instruct my broker?**

**A:** If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal or any other proposal (a so-called broker non-vote ) at the Scottsdale special meeting. Because the affirmative vote of two-thirds of outstanding Scottsdale shares is necessary to approve the merger, any broker non-votes submitted by brokers or nominees in connection with the special meeting will in effect be a vote against the merger.

**Q: What constitutes a quorum for the Scottsdale special meeting?**

**A:** As of the Scottsdale record date, 50,718 shares of Scottsdale common stock were issued and outstanding, each of which will be entitled to one vote at the meeting. Under Scottsdale's bylaws, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast constitutes a quorum for the transaction of business at the special meeting. If you vote by proxy, your shares will be included for determining the presence of a quorum. Both abstentions and broker non-votes are also included for determining the presence of a quorum.

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**Q: Assuming the presence of a quorum, what is the vote required to approve the matters to be considered at the Scottsdale special meeting?**

**A:** The affirmative vote, in person or by proxy, of at least two-thirds of the outstanding shares of Scottsdale common stock is required to approve the merger agreement. Because the affirmative vote of at least two-thirds of the holders of outstanding shares of Scottsdale is required to approve the merger agreement, abstentions and broker non-votes with respect to the merger agreement will effectively act as no votes on such proposal.

**Q: Do any of Scottsdale's directors or executive officers have interests in the merger that may differ from those of Scottsdale shareholders?**

**A:** Scottsdale's directors and executive officers have interests in the merger that are different from, or in addition to, those of Scottsdale shareholders generally. The members of Scottsdale's board of directors were aware of and considered these interests, among other matters, in evaluating the merger agreement and the merger, and in recommending that Scottsdale shareholders approve the merger agreement. For a description of these interests, refer to the section entitled *Interests of Scottsdale's Directors and Executive Officers in the Merger* beginning on page 72 of this joint proxy statement/prospectus.

**Q: Do I have appraisal or dissenters' rights?**

**A:** Yes. Under Pennsylvania law, Scottsdale shareholders have the right to dissent from the merger agreement and the merger and to receive a payment in cash for the fair value of their shares of Scottsdale common stock as determined by an appraisal process. This value may be more or less than the value you would receive in the merger if you do not dissent. If you dissent, you will receive a cash payment for the value of your shares that will be fully taxable to you. To perfect your dissenters' rights, you must follow precisely the required statutory procedures. See *Scottsdale Shareholders Have Dissenters' Rights in the Merger* beginning on page 69.

**Q: Can I attend the Scottsdale special meeting and vote my shares in person?**

**A:** Yes. All shareholders, including shareholders of record and those who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Scottsdale common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

**Q: Can I change my vote?**



**A:** Yes. You may revoke your proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Scottdale's Corporate Secretary, or (3) attending the special meeting in person and voting by ballot at the special meeting. The mailing address for Scottdale's Corporate Secretary is The Scottdale Bank & Trust Company, 150 Pittsburgh Street, Scottdale, Pennsylvania 15683, Attention: Robert B. Ferguson.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy. A shareholder may change his or her vote up and until the time that votes are counted but not thereafter.

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**Q: How will proxies be solicited and who will bear the cost of soliciting votes for the Scottsdale special meeting?**

**A:** Scottsdale will bear the cost of preparing and assembling these proxy materials for the Scottsdale special meeting. The cost of printing and mailing these proxy materials will be shared equally between Mid Penn and Scottsdale. The solicitation of proxies or votes for the Scottsdale special meeting may also be made in person, by telephone, or by electronic communication by Scottsdale's directors, officers, and employees, none of whom will receive any additional compensation for such solicitation activities. In addition, Scottsdale may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

**Q: Can additional proposals be presented at the Scottsdale special meeting?**

**A:** No. Other than the proposals described in this joint proxy statement/prospectus, no additional matters can be presented for a vote at the special meeting.

**Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?**

**A:** Yes. You should consider the risk factors set out in the section entitled *Risk Factors* beginning on page 33 of this joint proxy statement/prospectus.

**Q: What if I hold stock of both Mid Penn and Scottsdale?**

**A:** If you hold shares of both Mid Penn and Scottsdale, you will receive two separate packages of proxy materials. A vote as a Scottsdale shareholder for the merger proposal or any other proposals to be considered at the Scottsdale special meeting will not constitute a vote as a Mid Penn shareholder for the merger proposal or any other proposals to be considered at the Mid Penn special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Mid Penn or Scottsdale, or submit separate proxies as both a Mid Penn shareholder and a Scottsdale shareholder as instructed.

**Q: Should I send in my Scottsdale stock certificates now?**

**A:** **No, please do NOT return your stock certificate(s) with your proxy.** You will be provided separately an election form and instructions regarding the surrender of your stock certificates. You should then, prior to the election deadline, send your Scottsdale stock certificates to the exchange agent, together with your completed and signed election form.

**Q: Whom should I contact if I have additional questions?**

**A:** If you are a Scottdale shareholder and have any questions about the merger, need assistance in submitting your proxy or voting your shares of Scottdale common stock, or if you need additional copies of this document or the enclosed proxy card, you should contact:

The Scottdale Bank & Trust Company

150 Pittsburgh Street

Scottdale, Pennsylvania 15683

Attention: Corporate Secretary

Telephone: (724) 887-8330

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**SUMMARY**

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all of the information that is important to you. We urge you to carefully read the entire joint proxy statement/prospectus and the other documents to which we refer in order to fully understand the merger and the related transactions. See **Where You Can Find More Information**. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

**Information about the Parties**

***Mid Penn Bancorp, Inc.***

Mid Penn is a Pennsylvania business corporation and bank holding company with its headquarters in Millersburg, Pennsylvania. At June 30, 2017, Mid Penn had total consolidated assets of \$1.1 billion. Mid Penn is the parent company of Mid Penn Bank, serving the community since 1868, which operates twenty-two retail banking offices across six counties in Pennsylvania. Mid Penn common stock is traded on The Nasdaq Global Select Market under the symbol MPB.

The principal executive offices of Mid Penn are located at Mid Penn Bancorp, Inc., 349 Union Street, Millersburg, Pennsylvania 17061 and its telephone number is (717) 692-2133.

***The Scottdale Bank and Trust Company***

Scottdale is a Pennsylvania bank and trust company with its headquarters in Scottdale, Pennsylvania. At June 30, 2017, Scottdale had total consolidated assets of \$259.2 million. Scottdale common stock is traded on the OTC Pink Market under the symbol SDLJ.

The principal executive offices of Scottdale are located at 150 Pittsburgh Street, Scottdale, Pennsylvania 15683, and its telephone number is (724) 887-8330.

**The Merger and the Merger Agreement (page 73)**

The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference herein. Please carefully read the merger agreement as it is the legal document that governs the merger.

Pursuant to the merger agreement, Scottdale will merge with and into Mid Penn Bank with Mid Penn Bank as the surviving corporation.

**Mid Penn Will Hold Its Special Meeting on November 17, 2017 (page 90)**

The Mid Penn special meeting will be held on November 17, 2017 at 9:00 a.m., local time, at the Halifax Area Ambulance and Rescue Association, Inc., 31 Bunker Hill Road, Halifax, Pennsylvania 17032. At the special meeting, Mid Penn shareholders will be asked to:

1. adopt the merger agreement; and

2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

*Record Date.* Only holders of record of Mid Penn common stock at the close of business on October 3, 2017 will be entitled to vote at the special meeting. Each share of Mid Penn common stock is entitled to one vote. As of the Mid Penn record date, there were 4,240,754 shares of Mid Penn common stock issued and outstanding and entitled to vote at the special meeting.

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*Required Vote.* The affirmative vote, in person or by proxy, of a majority of the votes cast at the special meeting is required to approve the merger agreement and the proposal to adjourn the Mid Penn special meeting, if necessary, to solicit additional proxies. The presence, in person or by proxy, of a majority of the outstanding shares of Mid Penn common stock is necessary to constitute a quorum in order to transact business at the special meeting.

As of the record date, directors and executive officers of Mid Penn and their affiliates had the right to vote 320,789 shares of Mid Penn common stock, or 7.6% of the outstanding Mid Penn common stock entitled to be voted at the special meeting. Each of the directors and executive officers of Mid Penn has agreed to vote all shares of Mid Penn common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

### **Scottdale Will Hold Its Special Meeting on November 17, 2017 (page 170)**

The Scottdale special meeting will be held on November 17, 2017 at 2:00 p.m., local time, at the Pleasant Valley Country Club, 440 Pleasant Valley Road, Connellsville, Pennsylvania, 15425. At the special meeting, Scottdale shareholders will be asked to:

1. adopt the merger agreement; and
2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

*Record Date.* Only holders of record of Scottdale common stock at the close of business on September 29, 2017 will be entitled to vote at the special meeting. Each share of Scottdale common stock is entitled to one vote. As of the Scottdale record date, there were 50,718 shares of Scottdale common stock issued and outstanding and entitled to vote at the special meeting.

*Required Vote.* The affirmative vote, in person or by proxy, of at least two-thirds of the outstanding shares of Scottdale common stock is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of votes cast is required to approve the proposal to adjourn the Scottdale special meeting, if necessary, to solicit additional proxies.

As of the record date, directors and executive officers of Scottdale and their affiliates had the right to vote 28,913 shares of Scottdale common stock, or 57% of the outstanding Scottdale common stock entitled to be voted at the special meeting. Each of the directors and the executive officers of Scottdale has agreed to vote all shares of Scottdale common stock owned by him or her in favor of adoption of the merger agreement.

### **Scottdale Shareholders Will Receive Shares of Mid Penn Common Stock and/or Cash in the Merger Depending on Their Election and Any Proration (page 73).**

Upon completion of the merger, each outstanding share of Scottdale common stock outstanding immediately prior to the effective time of the merger, will be converted into the right to receive either (i) \$1,166 in cash or (ii) a ratio of a share of Mid Penn common stock determined by dividing (y) \$1,166 by (z) the 10 trading day per share volume-weighted average price for Mid Penn common stock ending on the date that is five business days prior to the closing of the merger provided that in no event may the exchange ratio be less than 38.88 or greater than 44.86, respectively, which we refer to as the stock consideration. Scottdale shareholders may elect to receive all cash, all

stock or cash for some of their shares and stock for the remainder of the shares they own. The total number of shares of Scottsdale common stock that will be converted into the cash consideration is up to 10% of the total number of shares of Scottsdale stock outstanding immediately prior to the completion of the merger, and the remaining shares of Scottsdale common stock will be converted into the stock consideration. As a result, if the aggregate number of shares with respect to which a valid cash election has been made exceeds these limits, shareholders who elected cash consideration that has been oversubscribed will receive a mixture of both cash and stock consideration in accordance with the proration procedures set forth in the merger agreement.

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The value of the cash consideration is fixed at \$1,166. On March 28, 2017, which was the last trading date preceding the public announcement of the proposed merger, the closing price of Mid Penn common stock was \$27.25 per share. Based upon this price equaling the Average Price with respect to the stock consideration, upon completion of the merger, the exchange ratio would be 42.79. On September 29, 2017, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of Mid Penn common stock was \$29.40 per share, which would result in an exchange ratio of 39.92. If the Average Price of Mid Penn's common stock is between \$25.99 and \$29.99 then each share of Scottsdale common stock will be entitled to be exchanged for Mid Penn common stock worth \$1,166 based on the Average Price. If the Average Price for Mid Penn's common stock is below \$25.99 then each share of Scottsdale common stock will be entitled to be exchanged for 44.86 shares of Mid Penn common stock, valued at less than \$1,166 based on the Average Price. The market price of both Mid Penn common stock and Scottsdale common stock will fluctuate before the completion of the merger, including from the Average Price; therefore, you are urged to obtain current market quotations for Mid Penn common stock and Scottsdale common stock. The value of the stock consideration will fluctuate as the market price of Mid Penn common stock fluctuates before the completion of the merger. The market price of Mid Penn common stock at closing will not be known at the time of the Scottsdale special meeting and may be more or less than the current price of Mid Penn common stock or the price of Mid Penn common stock at the time of the Scottsdale special meeting or at the time an election is made.

The following table shows (i) hypothetical Average Prices of Mid Penn common stock with respect to the stock consideration, upon completion of the merger, (ii) the corresponding exchange ratio, (iii) the equivalent value of the merger consideration per share of Scottsdale common stock, calculated by multiplying the applicable Average Price by an exchange ratio of Mid Penn common stock that Scottsdale shareholders would receive in the merger for each share of Scottsdale common stock, and (iv) the per share cash consideration.

Historical			
Average			
Price of			
Mid Penn		Stock	Cash
Common Stock	Exchange	Consideration	Consideration
	Ratio	Equivalent	Per Share
		Value	Value
\$32.00	38.88	\$1,244.16	\$1,166.00
\$31.00	38.88	\$1,205.28	\$1,166.00
\$30.00	38.87	\$1,166.00	\$1,166.00
\$29.00	40.21	\$1,166.00	\$1,166.00
\$28.00	41.64	\$1,166.00	\$1,166.00
\$27.00	43.19	\$1,166.00	\$1,166.00
\$26.00	44.85	\$1,166.00	\$1,166.00
\$25.00	44.86	\$1,121.50	\$1,166.00
\$24.00	44.86	\$1,076.64	\$1,166.00

*The market price of Mid Penn common stock will fluctuate prior to the merger and may be different from the hypothetical Average Price used in the above scenarios for calculating an exchange ratio. You should obtain current stock price quotations for the shares of Mid Penn common stock.*



**In Order To Make a Valid Election, Scottsdale Shareholders Must Properly Complete and Deliver the Election Form that Will Be Sent Separately (page 74)**

Scottsdale shareholders will receive separately an election form, including transmittal materials, with instructions for making cash and stock elections. Scottsdale shareholders must properly complete and deliver to the exchange agent an election form along with their stock certificates (or a properly completed notice of guaranteed delivery). The election form will also include delivery instructions with respect to any shares they may hold in book-entry form. Scottsdale shareholders should NOT send their stock certificates with their proxy card.

**Table of Contents****Expected Material United States Federal Income Tax Treatment as a Result of the Merger (page 86)**

The merger is structured to be treated as a reorganization for United States federal income tax purposes. Each of Mid Penn and Scottsdale has conditioned the consummation of the merger on its receipt of a legal opinion that this will be the case. The federal tax consequences of the merger to shareholders of Scottsdale will depend primarily on whether they exchange their Scottsdale common stock solely for Mid Penn common stock, solely for cash or for a combination of Mid Penn common stock and cash. Scottsdale shareholders who exchange their shares solely for Mid Penn common stock should not recognize gain or loss except with respect to the cash they receive instead of a fractional share. Scottsdale shareholders who exchange their shares solely for cash should recognize gain or loss on the exchange. Scottsdale shareholders who exchange their shares for a combination of Mid Penn common stock and cash should recognize gain, but not any loss, on the exchange. The actual federal income tax consequences to Scottsdale shareholders of electing to receive cash, Mid Penn common stock or a combination of cash and stock will not be ascertainable at the time Scottsdale shareholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply.

**This tax treatment may not apply to all Scottsdale shareholders. Determining the actual tax consequences of the merger to Scottsdale shareholders can be complicated. Scottsdale shareholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each shareholder.**

Exceptions to these conclusions or other considerations may apply, some of which are discussed beginning on page 86. Determining the actual tax consequences of the merger to a Scottsdale shareholder can be complicated. For further information, please refer to *Material United States Federal Income Tax Consequences of the Merger* on page 86. **Scottsdale shareholders should also consult their own tax advisors for a full understanding of the federal income tax and other tax consequences of the merger as they apply specifically to them.**

**Accounting Treatment of the Merger (page 86)**

The merger will be treated as a business combination using the acquisition method of accounting with Mid Penn treated as the acquiror under accounting principles generally accepted in the United States of America, or US GAAP.

**Market Prices and Share Information (page 203)**

Mid Penn common stock is quoted on The Nasdaq Global Select Market under the symbol MPB. Scottsdale common stock is quoted on the OTC Pink Market under the symbol SDLJ.

The following table shows the closing sale prices of Mid Penn common stock and Scottsdale common stock as reported on the respective markets on March 28, 2017, the last trading day before announcement of the merger, and on September 29, 2017, the last practicable trading day prior to mailing this joint proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Scottsdale common stock on March 28, 2017, and September 29, 2017, calculated by multiplying the closing sale prices of Mid Penn common stock on those dates by an exchange ratio of Mid Penn common stock that Scottsdale shareholders would receive in the merger for each share of Scottsdale common stock if the closing of the merger would occur on such date.

Mid Penn Common Stock	Scottsdale Common Stock	Exchange Ratio	Equivalent Per Share	Equivalent Per Share
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				<b>Value: All Stock Consideration</b>	<b>Value: All Cash Consideration</b>
March 28, 2017	\$ 27.25	\$ 460	40.48	\$ 1,103.08	\$ 1,166
At September 29, 2017	\$ 29.40	\$ 1,170	39.92	\$ 1,173.64	\$ 1,166

*The market price of Mid Penn common stock will fluctuate prior to the merger, including from the Average Price. You should obtain current stock price quotations for the shares.*

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Following completion of the merger, assuming Scottsdale shareholders elect to convert 10% of the total outstanding shares of Scottsdale common stock into cash and 90% of the total outstanding shares of Scottsdale common stock into Mid Penn stock, current Mid Penn shareholders will own in the aggregate 69.9% of the outstanding shares of Mid Penn common stock and Scottsdale shareholders will own approximately 30.1% of the outstanding shares of Mid Penn common stock. Scottsdale shareholders' ownership in Mid Penn would be proportionately greater if holders of more than 90% of Scottsdale's shares elected shares of Mid Penn common stock.

### **Opinion of Scottsdale's Financial Advisor (page 45)**

At the March 29, 2017 meeting at which the Scottsdale board of directors considered and approved the merger agreement, Scottsdale's financial advisor, Ambassador Financial Group, Inc., or Ambassador, delivered its oral opinion to Scottsdale's board of directors, which was subsequently confirmed in writing, to the effect that, as of March 29, 2017, subject to the procedures followed, assumptions made, matters considered and qualifications and limitations described in Ambassador's opinion, the merger consideration was fair, from a financial point of view, to Scottsdale shareholders.

**The full text of Ambassador's opinion is attached as Annex B to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Ambassador in rendering its opinion.**

**Scottsdale shareholders should read the opinion and the summary description of Ambassador's opinion contained in this joint proxy statement/prospectus carefully in their entirety.**

**Ambassador's opinion speaks only as of the date of the opinion. The opinion of Ambassador does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Scottsdale does not expect that it will request an updated opinion from Ambassador. The opinion was directed to Scottsdale's board of directors in connection with its consideration of the merger and is directed only as to the fairness, from a financial point of view, of the merger consideration to Scottsdale shareholders. Ambassador's opinion does not constitute a recommendation to any Scottsdale shareholder as to how such shareholder should vote at any meeting of shareholders called to consider and vote upon the Scottsdale merger proposal. Ambassador's opinion does not address the underlying business decision of Scottsdale to engage in the merger, the form or structure of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Scottsdale or the effect of any other transaction in which Scottsdale might engage.** Ambassador did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by Scottsdale's officers, directors, or employees, or class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder of Scottsdale.

For further information, see *The Merger Opinion of Scottsdale's Financial Advisor*.

### **Opinion of Mid Penn's Financial Advisor (page 57)**

At the March 29, 2017 meeting at which the Mid Penn board of directors considered and approved the merger agreement, Mid Penn's financial advisor, Sandler O'Neill & Partners, L.P., or Sandler, delivered its oral opinion to Mid Penn's board of directors, which was subsequently confirmed in writing, to the effect that, as of March 29, 2017, subject to the procedures followed, assumptions made, matters considered and qualifications and limitations described in Sandler's opinion, the merger consideration was fair, from a financial point of view, to Mid Penn.

**The full text of Sandler's opinion is attached as Annex C to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler in rendering its opinion.**

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**Mid Penn shareholders should read the opinion and the summary description of Sandler's opinion contained in this joint proxy statement/prospectus carefully in their entirety.**

**Sandler's opinion speaks only as of the date of the opinion. The opinion of Sandler does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Mid Penn does not expect that it will request an updated opinion from Sandler. The opinion was directed to Mid Penn's board of directors in connection with its consideration of the merger and is directed only as to the fairness, from a financial point of view, of the merger consideration to Mid Penn. Sandler's opinion does not constitute a recommendation to any Mid Penn shareholder as to how such shareholder should vote at any meeting of shareholders called to consider and vote upon the Mid Penn merger proposal. Sandler's opinion does not address the underlying business decision of Mid Penn to engage in the merger, the form or structure of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Mid Penn or the effect of any other transaction in which Mid Penn might engage. Sandler did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by Mid Penn's officers, directors, or employees, or class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder of Mid Penn.**

For further information, see *The Merger Opinion of Mid Penn's Financial Advisor*.

### **Board of Directors and Executive Officers of Mid Penn after the Merger (page 69)**

Following completion of the merger, the then current directors and executive officers of Mid Penn will continue in office. Additionally, Mid Penn will appoint Donald F. Kiefer or a mutually agreed upon qualified replacement candidate to serve on the boards of directors of Mid Penn and Mid Penn Bank.

### **The Mid Penn Board of Directors Recommends That Mid Penn Shareholders Vote FOR Approval and Adoption of the Agreement and Plan of Merger (page 92)**

The Mid Penn board of directors believes that the merger is in the best interests of Mid Penn and its shareholders and has unanimously approved the merger and the merger agreement. The Mid Penn board of directors recommends that Mid Penn shareholders vote FOR approval and adoption of the agreement and plan of merger. The Mid Penn board also recommends that its shareholders vote FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

### **The Scottsdale Board of Directors Recommends That Scottsdale Shareholders Vote FOR Approval and Adoption of the Agreement and Plan of Merger (page 172)**

The Scottsdale board of directors believes that the merger is in the best interests of Scottsdale and its shareholders and has unanimously approved the merger and the merger agreement. The Scottsdale board of directors recommends that Scottsdale shareholders vote FOR approval and adoption of the agreement and plan of merger. The Scottsdale board also recommends that its shareholders vote FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

### **Scottsdale's Directors and Executive Officers Have Financial Interests in the Merger that May Differ from the Interests of Scottsdale Shareholders (page 72)**

In addition to their interests as Scottsdale shareholders, the directors and certain executive officers of Scottsdale have interests in the merger that are different from or in addition to interests of other Scottsdale shareholders. For purposes

of the relevant Scottsdale agreements and plans, the completion of the merger will constitute a change in control. These additional interests may create potential conflicts of interest and cause some of these persons to

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view the proposed transaction differently than a Scottsdale shareholder may view it. The financial interests of Scottsdale's directors and executive officers in the merger include the following:

the appointment, effective at the closing of the merger, of Donald F. Kiefer or a mutually agreed upon qualified replacement candidate to the board of directors of Mid Penn Mid Penn Bank and the payment of compensation to such individual in accordance with the policies of Mid Penn, which currently consists of the following payments to each of its non-employee directors: an annual retainer of \$18,000, a fee of \$500 for each board meeting attended, and between \$500 and \$300 for each committee meeting attended, depending on the committee;

the continued indemnification of current directors and executive officers of Scottsdale and its subsidiaries pursuant to the terms of the merger agreement;

the retention of certain executive officers of Scottsdale, and payment of compensation to such executive officers, pursuant to settlement agreements between Mid Penn and each of them that will become effective at the closing of the merger; and

certain of Scottsdale's named executive officers will be entitled to severance, change-in-control or other benefits and payments upon the closing of the merger.

Scottsdale's board of directors was aware of these interests and took them into account in its decision to approve the agreement and plan of merger. For information concerning these interests, please see the discussion on page 72 under the caption *The Merger Interests of Scottsdale's Directors and Executive Officers in the Merger*. For more information concerning the closing conditions of the merger, please see the discussion on page 77 under the caption *The Merger Agreement Covenants and Agreements*.

### **Scottsdale Shareholders' Dissenters' Rights to Appraisal Rights**

Shareholders of Scottsdale will have appraisal or dissenters' rights in connection with the merger. See *Scottsdale Shareholders Have Dissenters' Rights in the Merger* beginning on page 69.

### **The Rights of Scottsdale Shareholders Will Change After the Merger (page 197)**

The rights of Scottsdale shareholders will change as a result of the merger due to differences in Mid Penn's and Scottsdale's governing documents. The rights of Scottsdale's shareholders are governed by Scottsdale's articles of incorporation and bylaws. Upon completion of the merger, Scottsdale shareholders will be governed under Pennsylvania law and Mid Penn's articles of incorporation and bylaws. A description of shareholder rights under each of the Mid Penn and Scottsdale governing documents, and the material differences between them, is included in the section entitled *Comparison of Shareholders' Rights* found on page 197.

### **Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 84)**

Currently, we expect to complete the merger by the fourth quarter of 2017. In addition to the approval of the merger proposal by the requisite vote of Mid Penn and Scottsdale shareholders and the receipt of all required regulatory



approvals and expiration or termination of all statutory waiting periods in respect thereof, each as described herein, each party's obligation to complete the merger is also subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain other conditions, including the effectiveness of the registration statement containing this joint proxy statement/prospectus, approval of the listing on the Nasdaq of the Mid Penn common stock to be issued in the merger, the absence of any applicable law or order prohibiting the merger, the accuracy of the representations and warranties of the other party under the merger agreement (subject to the materiality standards set forth in the merger agreement), the performance by the other party of its respective obligations under the merger agreement in all material respects, delivery of officer certificates by the other party certifying satisfaction of the two preceding conditions and each of Mid Penn's and Scottsdale's receipt of a tax opinion to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code.

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Neither Scottdale nor Mid Penn can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

### **No Solicitation of Other Offers (page 81)**

Scottdale has agreed that it will not, and Scottdale will cause its subsidiaries and each of their respective officers, directors, employees, representatives, agents, and affiliates not to, between the date of the merger agreement and the closing of the merger, directly or indirectly:

initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal that constitutes, relates or could reasonably be expected to lead to an alternative acquisition proposal;

recommend or endorse an alternative acquisition transaction;

participate in any discussions or negotiations regarding an alternative acquisition proposal, or furnish or afford access to information or data to any person;

release anyone from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which Scottdale is a party; or

enter into any agreement, agreement in principle or letter of intent with respect to any alternative acquisition proposal or approve or resolve to approve any alternative acquisition proposal or any agreement, agreement in principle or letter of intent relating to an alternative acquisition proposal.

The merger agreement does not, however, prohibit Scottdale from furnishing information or access to a third party who has made an alternative acquisition proposal and participating in discussions and negotiating with such person prior to the receipt of shareholder approval if specified conditions are met. Among those conditions is a good faith determination by Scottdale's board of directors that the acquisition proposal constitutes or that could reasonably be expected to lead to a proposal that is more favorable, from a financial point of view, to Scottdale and its shareholders than the transactions contemplated by the merger agreement and is reasonably capable of being completed on its stated terms, taking into account all financial, regulatory, legal and other aspects of the proposal.

For further discussion of the restrictions on solicitation of acquisition proposals from third parties, see *The Merger Agreement Agreement Not to Solicit Other Offers* beginning on page 81.

### **Termination of the Merger Agreement (page 84)**

We may mutually agree to terminate the merger agreement before completing the merger, even after Scottdale or Mid Penn shareholder approval. In addition, either of us may decide to terminate the merger agreement, if (i) a court or governmental entity issues a final order that is not appealable prohibiting the merger, (ii) a bank regulator which must grant a regulatory approval as a condition to the merger denies such approval of the merger and such denial has become final and is not appealable, (iii) the shareholders of Mid Penn or Scottdale fail to approve the merger at their

respective special meetings, or (iv) the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice. Either of us may terminate the merger agreement if the merger has not been completed by March 31, 2018, unless the reason the merger has not been completed by that date is a breach of the merger agreement by the company seeking to terminate the merger agreement.

Mid Penn may terminate the merger agreement if the Scottsdale board of directors, in connection with the receipt of an alternative acquisition proposal, (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Mid Penn, or (3) has otherwise made a determination to accept the alternative acquisition proposal.

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Scottdale may terminate the merger agreement if Scottdale receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal. Scottdale may also terminate the merger agreement within five days of the later of (i) the date on which all regulatory approvals, and waivers, if applicable, necessary for consummation of the merger and the transactions contemplated by the merger agreement have been received or (ii) the date of the meeting of Scottdale shareholders (the Determination Date), if Scottdale's board determines that each of the following have occurred:

the average of the daily closing sale prices of a share of Mid Penn common stock as reported on Nasdaq for the 20 consecutive trading days immediately preceding the Determination Date (the Determination Date Market Value) is less than \$19.50; and

the decrease in the price of Mid Penn common stock is more than 20% greater than the decrease in the SNL Small Cap Bank & Thrift Index during the same period.

However, if Scottdale chooses to exercise this termination right, Mid Penn has the option, within five business days of receipt of notice from Scottdale, to adjust the merger consideration and prevent termination under this provision.

### **Termination Fee (page 85)**

Scottdale will pay Mid Penn a termination fee of \$2,365,500 if the merger agreement is terminated:

by Mid Penn because Scottdale has received an alternative acquisition proposal, and Scottdale (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Mid Penn, or (3) has otherwise made a determination to accept the alternative acquisition proposal; or

by Scottdale, if Scottdale receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal in accordance with the terms of the merger agreement.

### **Expense Reimbursement Fee (page 85)**

Scottdale will pay Mid Penn an expense reimbursement fee equal to the lesser of (i) the amount of Mid Penn's actual and documented out-of-pocket expenses incurred in connection with the merger agreement or (ii) \$500,000 if the merger is terminated by Mid Penn as a result of the failure of the shareholders of Scottdale to approve the transactions contemplated by the merger agreement and, prior to the Scottdale shareholders' meeting, any person shall have proposed or publicly announced an acquisition proposal for Scottdale.

### **Regulatory Approvals Required for the Merger (page 71)**

Completion of the merger and the bank merger are subject to the receipt of all approvals required to complete the transactions contemplated by the merger agreement, including from the Board of Governors of the Federal Reserve System (the FRB), the Federal Deposit Insurance Corporation (the FDIC) and the Pennsylvania Department of Banking and Securities (the PDB).

Notifications and/or applications requesting approval may also be submitted to various other federal and state regulatory authorities and self-regulatory organizations. Mid Penn and Scottdale have agreed to use their reasonable best efforts to obtain all required regulatory approvals. Mid Penn, Scottdale and Lawrence Keister & Company have filed applications and notifications to obtain these regulatory approvals.

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Although we currently believe that we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to Mid Penn after the completion of the merger or will contain a materially burdensome regulatory condition. The regulatory approvals to which completion of the merger is subject are described in more detail in the section entitled *The Merger Regulatory Approvals Required for the Merger*, beginning on page 71.

### **Investigation by Scottsdale's Special Committee (page 71)**

Shortly after the parties entered into the merger agreement, an employee and board member at Scottdale presented information to management of Scottdale and Mid Penn regarding a stock trade in the last quarter of 2016 by an individual who was alleged to have access to material inside information. This was relayed to the full Scottdale board of director which then took action by forming a committee, comprised solely of outside directors, which we refer to as the special committee, to investigate the allegations. The special committee was authorized to, and did, retain independent counsel, the Washington D.C. office of Murphy & McGonigle, which we refer to as M&M, to assist in the investigation. M&M had no prior relationship with Scottdale.

The special committee communicated to Scottdale and Mid Penn that two shares, acquired from a retiring Scottdale employee (not the trade that formed the basis of the original investigation), appeared to have been transacted in violation of applicable federal securities laws. As to that trade, the special committee report identified multiple mitigating circumstances including that this transaction was consistent with ordinary course of conduct for stock purchases from retiring employees and the purchaser, on its own volition, immediately after announcement of the merger, remitted additional cash to the seller to increase the amount paid to equal the stock value identified in the merger agreement.

This matter has been reported to the independent auditors of both Scottdale and Mid Penn and has been reported to the SEC by Scottdale. The special committee's investigation is described in more detail in the section entitled *The Merger Investigation by Scottdale's Special Committee*, beginning on page 71.

### **Risk Factors (page 33)**

**You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under Risk Factors.**

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MID PENN**

The following table provides historical consolidated summary financial data for Mid Penn. The data for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 are derived from Mid Penn's audited financial statements as of or for the periods then ended. The results of operations for the six months ended June 30, 2017 and 2016 are not necessarily indicative of the results of operations for the full year or any other interim period. Mid Penn's management prepared the unaudited information on the same basis as it prepared Mid Penn's audited consolidated financial statements. In the opinion of Mid Penn's management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

	Six Months Ended			Year Ended December 31,			
<i>(Dollars in thousands, except per share data)</i>	June 30, 2017	June 30, 2016	2016	2015	2014	2013	2012
<b>INCOME:</b>							
Total Interest Income	\$ 21,438	\$ 19,556	\$ 40,212	\$ 36,490	\$ 30,627	\$ 28,983	\$ 30,366
Total Interest Expense	2,853	2,608	5,367	4,607	4,427	5,057	7,125
Net Interest Income	18,585	16,948	34,845	31,883	26,200	23,926	23,241
Provision for Loan and Lease Losses	225	735	1,870	1,065	1,617	1,685	1,036
Noninterest Income	2,798	2,630	5,924	4,113	3,284	3,290	3,683
Noninterest Expense	15,360	13,903	28,818	26,759	20,704	19,391	19,693
Income Before Provision for Income Taxes	5,798	4,940	10,081	8,172	7,163	6,140	6,195
Provision for Income Taxes	1,459	1,113	2,277	1,644	1,462	1,201	1,244
Net Income	4,339	3,827	7,804	6,528	5,701	4,939	4,951
Series A Preferred Stock Dividends and Discount Accretion						14	514
Series B Preferred Stock Dividends and Redemption Premium				473	350	309	
Series C Preferred Stock Dividends				17			
Net Income Available to Common Shareholders	4,339	3,827	7,804	6,038	5,351	4,616	4,437
<b>COMMON STOCK DATA PER SHARE:</b>							
Earnings Per Common Share (Basic)	\$ 1.02	\$ 0.91	\$ 1.85	\$ 1.47	\$ 1.53	\$ 1.32	\$ 1.27
Earnings Per Common Share (Fully Diluted)	1.02	0.91	1.85	1.47	1.53	1.32	1.27
	0.36	0.34	0.68	0.44	0.45	0.25	0.25

Cash Dividends Declared							
Cash Dividends Paid	0.36	0.34	0.58	0.44	0.45	0.25	0.25
Book Value Per Common Share							
	17.86	17.61	16.65	16.58	15.48	13.71	13.57
Tangible Book Value Per Common Share <sup>(a)</sup>							
	16.82	16.54	15.59	15.49	15.13	13.35	13.19
AVERAGE SHARES OUTSTANDING (BASIC):							
	4,234,525	4,227,362	4,229,284	4,106,548	3,495,705	3,491,653	3,486,543
AVERAGE SHARES OUTSTANDING (DILUTED):							
	4,234,525	4,227,362	4,229,284	4,106,548	3,495,705	3,491,653	3,486,543
BALANCE SHEET DATA:							
Available-For-Sale Investment Securities, at Fair Value							
	\$ 111,353	\$ 167,342	\$ 133,625	\$ 135,721	\$ 141,634	\$ 122,803	\$ 154,295
Held-to-Maturity Investment Securities, at Amortized Cost							
	71,096						
Loans and Leases, Net of Unearned Interest							
	862,307	769,153	813,924	736,513	571,533	546,462	484,220
Allowance for Loan and Lease Losses							
	7,713	6,912	7,183	6,168	6,716	6,317	5,509
Total Assets	1,111,876	1,012,884	1,032,599	931,638	755,657	713,125	705,200
Total Deposits	987,468	893,440	935,373	777,043	637,922	608,130	625,461
Short-term Borrowings	21,468			31,596	578	23,833	
Long-term Debt	13,467	30,194	13,581	40,305	52,961	23,145	22,510
Subordinated Debt	7,419	7,409	7,414	7,414			
Shareholders Equity	75,636	74,474	70,467	70,068	59,130	52,916	52,220



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<i>(Dollars in thousands, except per share data)</i>	<b>Six Months Ended</b>		<b>Year Ended December 31,</b>				
	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>RATIOS:</b>							
Return on Average Assets (annualized)	0.81%	0.82%	0.78%	0.74%	0.78%	0.71%	0.69%
Return on Average Shareholders Equity (annualized)	11.95%	10.45%	10.71%	9.16%	9.95%	9.37%	8.78%
Cash Dividend Payout Ratio	35.29%	37.36%	31.43%	29.93%	29.41%	18.94%	19.69%
Allowance for Loan and Lease Losses to Loans and Leases, Net of Unearned Interest	0.89%	0.90%	0.88%	0.83%	1.18%	1.16%	1.14%
Average Shareholders Equity to Average Assets	6.77%	7.58%	7.28%	8.06%	7.80%	7.56%	7.98%

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SCOTTDALE**

The following table provides historical consolidated summary financial data for Scottsdale. The data for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 are derived from Scottsdale's audited financial statements as of or for the periods then ended. The results of operations for the six months ended June 30, 2016 and 2017 are not necessarily indicative of the results of operations for the full year or any other interim period. Scottsdale's management prepared the unaudited information on the same basis as it prepared Scottsdale's audited consolidated financial statements. In the opinion of Scottsdale's management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

	Six Months Ended		Year Ended December 31,				
<i>(Dollars in thousands, except per share data)</i>	June 30, 2017	June 30, 2016	2016	2015	2014	2013	2012
<b>INCOME:</b>							
Total Interest Income	\$ 3,274	\$ 3,366	\$ 6,739	\$ 6,589	\$ 7,003	\$ 7,438	\$ 7,750
Total Interest Expense	253	258	520	689	862	860	1,188
Net Interest Income	3,021	3,108	6,219	5,900	6,141	6,578	6,562
Provision (Credit) for Loan and Lease Losses			(200)				
Noninterest Income	273	190	487	549	631	458	485
Noninterest Expense	2,726	2,710	6,253	5,544	4,956	5,458	4,844
Income Before Provision for Income Taxes	568	588	653	905	1,816	1,578	2,203
Provision (Credit) for Income Taxes	37	(40)	103	29	(46)	94	88
Net Income	531	628	550	876	1,862	1,484	2,115
<b>COMMON STOCK DATA PER SHARE:</b>							
Earnings Per Common Share (Basic)	\$ 10.47	\$ 12.38	\$ 10.84	\$ 19.39	\$ 36.71	\$ 29.25	\$ 41.71
Earnings Per Common Share (Fully Diluted)	10.47	12.38	10.84	19.39	36.71	29.25	41.71
Cash Dividends Declared			30.00	9.00	9.00	8.00	15.00
Cash Dividends Paid			30.00	9.00	9.00	8.00	15.00
Book Value Per Common Share	911.79	922.45	892.84	902.28	900.25	883.39	839.09
Tangible Book Value Per Common Share	911.79	922.45	892.84	902.28	900.25	883.39	839.09
<b>AVERAGE SHARES OUTSTANDING (BASIC):</b>							
	50,718	50,718	50,718	50,718	50,718	50,718	50,718
	50,718	50,718	50,718	50,718	50,718	50,718	50,718

**AVERAGE SHARES  
OUTSTANDING  
(FULLY DILUTED):**
**BALANCE SHEET  
DATA:**

Available-For-Sale Investment Securities, at Fair Value	\$ 79,309	\$ 73,819	\$ 77,282	\$ 66,859	\$ 55,226	\$ 54,643	\$ 50,221
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Held-For-Sale Investment Securities, at Amortized Cost	92,697	101,951	100,558	101,683	115,260	121,291	107,546
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Loans and Leases, Net of Unearned Interest	64,320	63,011	63,379	59,210	59,794	61,341	67,000
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Allowance for Loan and Lease Losses	542	757	553	756	755	756	754
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<b>Total Assets</b>	<b>259,078</b>	<b>261,324</b>	<b>263,476</b>	<b>262,234</b>	<b>259,992</b>	<b>257,892</b>	<b>257,075</b>
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<b>Total Deposits</b>	<b>210,899</b>	<b>212,813</b>	<b>215,985</b>	<b>214,390</b>	<b>212,196</b>	<b>212,373</b>	<b>211,668</b>
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**Short-term  
Borrowings**
**Long-term Debt**
**Subordinated Debt**

Shareholders Equity	46,244	46,785	45,283	45,762	45,659	44,804	42,557
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**RATIOS:**

Return on Average Assets (annualized)	0.41%	0.48%	0.21%	0.33%	0.72%	0.58%	0.86%
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Return on Average Shareholders Equity (annualized)	2.32%	2.72%	1.19%	1.88%	4.06%	3.40%	4.96%
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Cash Dividend Payout Ratio	0.00%	0.00%	276.75%	46.42%	24.52%	27.35%	35.96%
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Allowance for Loan and Lease Losses to Loans and Leases, Net of Unearned Interest	0.84%	1.20%	0.87%	1.28%	1.26%	1.23%	1.13%
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Average Shareholders Equity to Average Assets	17.46%	17.64%	17.51%	17.78%	17.68%	16.98%	17.25%
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**UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited pro forma combined condensed consolidated financial information has been prepared using the acquisition method of accounting, giving effect to the merger of Mid Penn with Scottdale. The following unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of Scottdale common stock outstanding immediately prior to the completion of the merger will be 50,718 and utilizes the exchange ratio of 44.86 for 90% of Scottdale's outstanding shares and cash of \$5.9 million for 10% of Scottdale's outstanding shares, which will result in 2,047,679 shares of Mid Penn common stock being issued in the transaction.

The following unaudited pro forma combined consolidated financial statements as of and for the periods ended June 30, 2017 and December 31, 2016 combine the historical consolidated financial statements of Mid Penn and Scottdale. The unaudited pro forma combined consolidated financial statements give effect to the proposed merger as if the merger occurred on June 30, 2017 with respect to the consolidated balance sheet, and at the beginning of the applicable period, for the six months ended June 30, 2017 and for the year ended December 31, 2016, with respect to the consolidated income statement.

The notes to the unaudited pro forma combined consolidated financial statements describe the pro forma amounts and adjustments presented below. **THIS PRO FORMA DATA IS NOT NECESSARILY INDICATIVE OF THE OPERATING RESULTS THAT MID PENN WOULD HAVE ACHIEVED HAD IT COMPLETED THE MERGER AS OF THE BEGINNING OF THE PERIOD PRESENTED AND SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF FUTURE OPERATIONS.**

Certain reclassifications have been made to Scottdale historical financial information in order to conform to Mid Penn's presentation of financial information.

The actual value of Mid Penn's common stock to be recorded as consideration in the merger will be based on the closing price of Mid Penn's common stock at the time of the merger completion date. The proposed merger is targeted for completion by the fourth quarter of 2017. There can be no assurance that the merger will be completed as anticipated. For purposes of the pro forma financial information, the fair value of Mid Penn common stock to be issued in connection with the merger of Scottdale was based on Mid Penn's closing stock price of \$27.25 on March 28, 2017.

The pro forma financial information includes estimated adjustments, including adjustments to record assets and liabilities of Scottdale at their respective fair values and represents the pro forma estimates by Mid Penn based on available fair value information as of the dates of the merger agreement. In some cases, where noted, more recent information has been used to support estimated adjustments in the pro forma financial information.

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses. The unaudited pro forma combined condensed consolidated financial data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

The unaudited pro forma combined consolidated financial information presented below is based on, and should be read together with, the historical financial information that Mid Penn and Scottdale have included in or incorporated by reference in this joint proxy statement/prospectus as of and for the indicated periods.



**Table of Contents****Pro Forma Combined Consolidated Balance Sheets as of June 30, 2017****Unaudited (in thousands, except share and per share data)**

	Mid Penn	Scottdale	Unadjusted Combined	Pro Forma Adjustments		Pro Forma Combined
<b>ASSETS</b>						
Cash and due from banks	\$ 25,246	\$ 10,218	\$ 35,464	\$ (5,914)	A	\$ 29,550
Interest-bearing balances with other financial institutions	2,813		2,813			2,813
Federal funds sold	1,120	7,232	8,352			8,352
<b>Total cash and cash equivalents</b>	<b>29,179</b>	<b>17,450</b>	<b>46,629</b>	<b>(5,914)</b>		<b>40,715</b>
Interest-bearing time deposits with other financial institutions		2,750	2,750			2,750
Investment securities available for sale, at fair value	111,353	79,309	190,662	92,951	B	283,613
Investment securities held to maturity, at amortized cost	71,096	92,697	163,793	(92,697)	B	71,096
Loans held for sale	2,369		2,369			2,369
Loans and leases, net of unearned interest	862,307	64,320	926,627	(1,286)	C	925,341
Less: Allowance for loan and lease losses	(7,713)	(542)	(8,255)	542	D	(7,713)
<b>Net loans and leases</b>	<b>854,594</b>	<b>63,778</b>	<b>918,372</b>	<b>(744)</b>		<b>917,628</b>
Cash surrender value of life insurance	12,911		12,911			12,911
Bank premises and equipment, net	11,190	1,254	12,444	150	E	12,594
Restricted investment in bank stocks	3,985	97	4,082			4,082
Foreclosed assets held for sale		385	385	(289)	F	96
Deferred income taxes	3,396	(134)	3,262	2,326	G	5,588
Goodwill	3,918		3,918	11,189	H	15,107
Core deposit and other intangibles, net	486		486	696	I	1,182
Accrued interest receivable and other assets	7,399	1,492	8,891			8,891
<b>Total Assets</b>	<b>\$ 1,111,876</b>	<b>\$ 259,078</b>	<b>\$ 1,370,954</b>	<b>\$ 7,668</b>		<b>\$ 1,378,622</b>
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>						
<b>Deposits:</b>						
Noninterest-bearing demand	\$ 140,837	\$ 45,357	\$ 186,194	\$		\$ 186,194

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Interest-bearing demand	339,057	19,197	358,254			358,254
Money market	240,107	9,996	250,103			250,103
Savings	63,232	130,852	194,084			194,084
Time	204,235	5,497	209,732	67	J	209,799
<b>Total Deposits</b>	<b>987,468</b>	<b>210,899</b>	<b>1,198,367</b>	<b>67</b>		<b>1,198,434</b>
Short-term borrowings	21,468		21,468			21,468
Long-term debt	13,467		13,467			13,467
Subordinated debt	7,419		7,419			7,419
Accrued interest payable and other liabilities	6,418	1,935	8,353	622	K	8,975
<b>Total Liabilities</b>	<b>1,036,240</b>	<b>212,834</b>	<b>1,249,074</b>	<b>689</b>		<b>1,249,763</b>
<b>Shareholders Equity:</b>						
Common stock	4,235	135	4,370	1,913	L	6,283
Treasury stock		(1,770)	(1,770)	1,770	L	
Additional paid-in capital	40,775	1,200	41,975	49,975	L	91,950
Retained earnings	31,637	44,661	76,298	(44,661)	L	31,637
Accumulated other comprehensive income (loss)	(1,011)	2,018	1,007	(2,018)	L	(1,011)
<b>Total Shareholders Equity</b>	<b>75,636</b>	<b>46,244</b>	<b>121,880</b>	<b>6,979</b>		<b>128,859</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>\$ 1,111,876</b>	<b>\$ 259,078</b>	<b>\$ 1,370,954</b>	<b>\$ 7,668</b>		<b>\$ 1,378,622</b>
<b>Per Share Data:</b>						
Common shares outstanding	4,235,237	50,718		1,996,961		6,282,916 A, L
Book value per common share	\$ 17.86	\$ 911.79				\$ 20.51
Tangible book value per common share:						
Total equity	\$ 75,636	\$ 46,244				\$ 128,859
Less: goodwill and intangibles	4,404					16,289
Total tangible equity	\$ 71,232	\$ 46,244				\$ 112,570
Tangible book value per common share	\$ 16.82	\$ 911.79				\$ 17.92

**Table of Contents****Pro Forma Combined Consolidated Statements of Income****For the Twelve Months Ended December 31, 2016****Unaudited (in thousands, except per share data)**

	Mid Penn	Scottdale	Combined	Pro Forma Adjustments		Pro Forma Combined
<b>INTEREST INCOME</b>						
Interest & fees on loans and leases	\$ 36,402	\$ 3,271	\$ 39,673	\$ 90	C	39,763
Interest on interest-bearing balances	12	62	74			74
Interest and dividends on investment securities:						
U.S. Treasury, government agency, and other taxable securities	1,650	1,391	3,041			3,041
State and political subdivision obligations, tax-exempt	2,066	1,973	4,039			4,039
Interest on federal funds sold	82	42	124			124
<b>Total Interest Income</b>	<b>40,212</b>	<b>6,739</b>	<b>46,951</b>	<b>90</b>		<b>47,041</b>
<b>INTEREST EXPENSE</b>						
Interest on deposits	4,514	520	5,034	34	J	5,068
Interest on short-term borrowings	15		15			15
Interest on long-term and subordinated debt	838		838			838
<b>Total Interest Expense</b>	<b>5,367</b>	<b>520</b>	<b>5,887</b>	<b>34</b>		<b>5,921</b>
<b>Net Interest Income</b>	<b>34,845</b>	<b>6,219</b>	<b>41,064</b>	<b>56</b>		<b>41,120</b>
<b>(PROVISION) CREDIT FOR LOAN AND LEASE LOSSES</b>	<b>(1,870)</b>	<b>200</b>	<b>1,670</b>			<b>(1,670)</b>
<b>Net Interest Income After Provision for Loan and Lease Losses</b>	<b>32,975</b>	<b>6,419</b>	<b>39,394</b>	<b>56</b>		<b>39,450</b>
<b>NONINTEREST INCOME</b>						
Income from fiduciary activities	481	9	490			490
Service charges on deposits	684	327	1,011			1,011
Net gain on sales of investment securities	1,046	84	1,130			1,130
Earnings from cash surrender value of life insurance	264		264			264
Mortgage banking income	922		922			922
ATM debit card interchange income	844	13	857			857
Merchant services income	317		317			317



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Net gain on sales of SBA loans	470		470		470
Other income	896	54	950		950
<b>Total Noninterest Income</b>	<b>5,924</b>	<b>487</b>	<b>6,411</b>		<b>6,411</b>
<b>NONINTEREST EXPENSE</b>					
Salaries and employee benefits	15,564	3,590	19,154		19,154
Occupancy expense, net	2,064	319	2,383		2,383
Equipment expense	1,689	98	1,787		1,787
Pennsylvania Bank Shares tax expense	648	36	684		684
FDIC Assessment	688	117	805		805
Legal and professional fees	711	154	865		865
Marketing and advertising expense	500	54	554		554
Software licensing and data processing	1,380	101	1,481		1,481
Telephone expense	548	26	574		574
Loss on sale/write-down of foreclosed assets	217	782	999		999
Intangible amortization	126		126	126	H, I 252
Merger and acquisition expense				1,253	M 1,253
Other expenses	4,683	976	5,659		5,659
<b>Total Noninterest Expense</b>	<b>28,818</b>	<b>6,253</b>	<b>35,071</b>	<b>1,379</b>	<b>36,450</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>					
	10,081	653	10,734	(1,323)	9,411
Provision for income taxes	2,277	103	2,380	(450)	N 1,930
<b>NET INCOME</b>	<b>\$ 7,804</b>	<b>\$ 550</b>	<b>\$ 8,354</b>	<b>\$ (873)</b>	<b>7,481</b>
Weighted average common shares outstanding:					
Basic	4,229,284	50,718		1,996,961	6,276,963 A, L
Diluted	4,229,284	50,718		1,996,961	6,276,963
Earnings per common share:					
Basic	\$ 1.85	\$ 10.84			\$ 1.19
Diluted	\$ 1.85	\$ 10.84			\$ 1.19

**Table of Contents****Pro Forma Combined Consolidated Statements of Income****For the Six Months Ended June 30, 2017****Unaudited (in thousands, except per share data)**

	Mid Penn	Scottdale	Combined	Pro Forma Adjustments		Pro Forma Combined
<b>INTEREST INCOME</b>						
Interest & fees on loans and leases	\$ 19,651	\$ 1,645	\$ 21,296	\$ 45	C	21,341
Interest on interest-bearing balances	7	28	35			35
Interest and dividends on investment securities:						
U.S. Treasury, government agency, and other taxable securities	1,126	774	1,911			1,911
State and political subdivision obligations, tax-exempt	580	785	1,354			1,354
Interest on federal funds sold	74	42	116			116
<b>Total Interest Income</b>	<b>21,438</b>	<b>3,274</b>	<b>24,712</b>	<b>45</b>		<b>24,757</b>
<b>INTEREST EXPENSE</b>						
Interest on deposits	2,481	253	2,734	17	J	2,751
Interest on short-term borrowings	13		13			13
Interest on long-term debt	359		359			359
<b>Total Interest Expense</b>	<b>2,853</b>	<b>253</b>	<b>3,106</b>	<b>17</b>		<b>3,123</b>
<b>Net Interest Income</b>	<b>18,585</b>	<b>3,021</b>	<b>21,606</b>	<b>28</b>		<b>21,634</b>
<b>PROVISION FOR LOAN AND LEASE LOSSES</b>	<b>225</b>		<b>225</b>			<b>225</b>
<b>Net Interest Income After Provision for Loan and Lease Losses</b>	<b>18,360</b>	<b>3,021</b>	<b>21,381</b>	<b>28</b>		<b>21,409</b>
<b>NONINTEREST INCOME</b>						
Income from fiduciary activities	396	2	398			398
Service charges on deposits	379	120	499			499
Net gain on sales of investment securities	20	86	106			106
Earnings from cash surrender value of life insurance	131		131			131
Mortgage banking income	416		416			416
ATM debit card interchange income	456	7	463			463
Merchant services income	166		166			166
Net gain on sales of SBA loans	441		441			441

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Other income	393	58	451		451
<b>Total Noninterest Income</b>	<b>2,798</b>	<b>273</b>	<b>3,071</b>		<b>3,071</b>
<b>NONINTEREST EXPENSE</b>					
Salaries and employee benefits	8,389	1,836	10,225		10,225
Occupancy expense, net	1,241	166	1,407		1,407
Equipment expense	751	46	797		797
Pennsylvania Bank Shares tax expense	330	26	356		356
FDIC Assessment	388	39	427		427
Legal and professional fees	366	64	430		430
Marketing and advertising expense	238	25	263		263
Software licensing and data processing	699	67	766		766
Telephone expense	259	13	272		272
Loss on sale/write-down of foreclosed assets	88		88		88
Intangible amortization	53		53	63 H, I	116
Merger and acquisition expense	224	201	425	1,253 M	1,678
Other expenses	2,334	243	2,577		2,577
<b>Total Noninterest Expense</b>	<b>15,360</b>	<b>2,726</b>	<b>18,086</b>	<b>1,316</b>	<b>19,402</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>					
Provision for income taxes	1,459	37	1,496	(1,288) (438) N	5,078 1,058
<b>NET INCOME</b>	<b>\$ 4,339</b>	<b>\$ 531</b>	<b>\$ 4,870</b>	<b>\$ (850)</b>	<b>4,020</b>
Weighted average common shares outstanding:					
Basic	4,234,525	50,718		1,996,961	6,282,916 A, L
Diluted	4,234,525	50,718		1,996,961	6,282,916
Earnings per common share:					
Basic	\$ 1.02	\$ 10.47			\$ 0.64
Diluted	\$ 1.02	\$ 10.47			\$ 0.64

**Table of Contents****Explanatory Notes to the Unaudited Pro Forma Combined Consolidated Financial Statements**

A. Under Article 3.1 of the Definitive Merger Agreement, the shareholders of the 50,718 outstanding shares of Scottdale common stock will receive merger consideration valued at \$1,166 per share for each share of Scottdale common stock, subject to an aggregate proration of no less than 90% of Mid Penn common stock, and no more than 10% cash. The actual final allocation of the merger consideration to be paid in Mid Penn common stock and cash is subject to the cumulative election of the Scottdale shareholders and the applicability of other relevant provisions of Article 3.1 of the Definitive Merger Agreement.

The unaudited pro forma combined consolidated financial statements assume that the Scottdale shareholders will collectively elect to receive the 10% maximum cash consideration as provided by the Definitive Merger Agreement, with the remaining 90% of acquisition consideration to be paid in MPB common shares, as follows:

**Projected Allocation of Acquisition Purchase Price Consideration Between Cash and Mid Penn Common Stock**

Total Acquisition Purchase Price Consideration:	
Scottdale Common Shares Outstanding	50,718
Acquisition Consideration Value Per Scottdale Common Share	x \$ 1,166
Total Purchase Price Consideration:	
	\$ 59,137,188
Projected Cash Consideration Maximum of 10 Percent of Total Acquisition Consideration per the Definitive Merger Agreement, Article 3.1.(d):	\$ 5,913,719
Projected Acquisition Consideration to be Fulfilled with Issuance of Mid Penn Bancorp, Inc. Common Shares (90% of Total Acquisition Consideration):	\$ 53,223,469*

\* 90% of the acquisition consideration being paid in Mid Penn common stock would equate to the exchange of 45,646 Scottdale common shares for Mid Penn common stock. The maximum exchange rate as defined by the Definitive Merger Agreement Article 3.1.(e) is 44.86 Mid Penn shares for each share of Scottdale common stock (the actual final exchange rate will be dependent upon the price of the Mid Penn stock closer to the actual merger date). The unaudited pro forma consolidated financial information projects the issuance of 2,047,679 Mid Penn common shares (45,646 Scottdale shares multiplied by the 44.86 maximum exchange rate) to fulfill the assumed 90% stock consideration.

B. The unaudited pro forma combined balance sheet reflects that, at the time of merger, Scottdale's entire held-to-maturity investment portfolio will be designated as available-for-sale and recorded at fair value versus amortized cost. As of June 30, 2017, the amortized cost of this held-to-maturity portfolio was \$92,697,000 and the estimated fair value was \$92,951,000, which is consistent with the amortized cost and fair value for the portfolio as reported by Scottdale in its quarterly financial filing to bank regulatory agencies. The estimated fair value of the held-to-maturity securities was determined consistent with the Level II pricing inputs used to value Scottdale's available-for-sale securities, including matrix pricing, which is a method used to value debt securities

without relying exclusively on quoted prices for specific securities, but rather, by relying on the securities relationship similar benchmark-quoted securities.

- C. The estimated adjustments to Scottsdale loans to reflect acquisition fair value include nonaccretable specific credit discounts totaling \$383,000 on certain nonaccrual, past-due, and other loans with higher credit risk. Additionally, a combined amount of estimated general credit marks and interest rate marks on the remainder

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of the loan portfolio were estimated at \$903,000 based upon a preliminary evaluation of the general credit risk and interest rate risk profile of the loan portfolio, which includes a high volume of real estate collateralized credits, and over \$12 million of outstanding credits as of June 30, 2017, extending beyond fifteen years to maturity. The earnings impact of the accretible general and interest rate adjustments are projected for the unaudited pro forma statement of income to be recognized over approximately 10 years, using an amortization method based upon the expected life of the loans, is projected to increase pre-tax interest income by \$90,000 in the first year post-merger.

- D. This unaudited pro forma adjustment reflects the reversal of the Scottsdale allowance for loan losses of \$542,000 in accordance with the GAAP method of acquisition accounting requiring the recording of acquired loans at fair value.
- E. Scottsdale's five bank properties, including land and buildings as improved, have a net book value (depreciated cost) of just over \$1,000,000 as of June 30, 2017. The fair value of the Scottsdale real estate will be determined by certified appraisals performed closer to the actual merger date. However, based upon an interim evaluation of the location and condition of the land and facilities, and considering the continued income-generating capability of all the properties, the preliminary estimate of the aggregate fair value of the premises and land for these unaudited pro forma combined consolidated financial statements was established at \$1,150,000 resulting in a preliminary value adjustment of \$150,000.
- F. The foreclosed assets held for sale of Scottsdale as of June 30, 2017, include two real estate properties with a recorded value of \$385,000 with no near-term prospects for sale. One property accounts for approximately \$360,000 of the total, and this property has been held for over five years. The estimated fair value of the foreclosed real estate will be determined by certified appraisals performed closer to the actual merger date. Given the likelihood for additional holding costs, and expectations that discounts to the carrying value would be probable in order to facilitate the sale of the real estate, an estimated fair value discount of \$289,000 will be assumed for the unaudited combined consolidated financial statements.
- G. The unaudited pro forma adjustment to the combined-entity net deferred tax asset includes the following components:

Scottsdale's net deferred tax liability position, prior to the merger, includes a \$1,878,000 valuation allowance representing a 100% reduction against two deferred tax asset components related to (i) a net operating loss (NOL) carryover of \$1,075,000 that will begin to expire in 2030, and (ii) charitable contributions of \$803,000 made by Scottsdale in prior years that will expire if not used in 2017 and the coming tax years. The valuation allowance was recorded based upon Scottsdale management's uncertainty about Scottsdale's ability, as a standalone company, to generate sufficient federal taxable income to realize these expiring deferred tax benefits. Based upon Mid Penn's level of reported earnings for the first six months of 2017, and the projected earnings of Mid Penn and Scottsdale combined post-merger, Mid Penn believes it is probable that the combined entity will have sufficient federal taxable income to fully realize these deferred tax benefits.

Certain acquisition accounting adjustments are projected to have a net deferred tax asset impact of \$448,000 using an assumed tax rate of 34%.

- H. For purposes of this unaudited pro forma combined consolidated balance sheet as of June 30, 2017, Goodwill of \$11,189,000 is projected to result from the Mid Penn acquisition of Scottsdale; however, the eventual amount actually recorded as Goodwill will be determined as part of the final acquisition accounting as of the merger date, and the Goodwill amount may be subject to change based on operations subsequent to June 30, 2017, as additional information becomes available and as additional analyses are performed. The Goodwill will not be amortized, but will be measured annually for impairment or more frequently if circumstances require. The unaudited pro forma combined consolidated statement of income projects no impairment in the first year post merger. The following reflects the unaudited pro forma calculation of

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Goodwill based upon the estimated fair value adjustments to the Scottsdale assets to be acquired and liabilities to be assumed:

**Goodwill Resulting from Merger**

*(Dollars in Thousands)*

Purchase Price Consideration: 50,718 Scottsdale Common Shares x \$1,166	
Merger Consideration Per Share*	\$ 59,137
<b>Net Assets Acquired:</b>	
Scottsdale Stockholders Equity	\$ 46,244
Core Deposit Intangible	696
<i>Adjustments to Scottsdale Assets acquired to reflect fair value:</i>	
Transfer held-to-maturity investments to available-for-sale	254
Loans general credit and interest rate marks	(903)
Loans specific credit marks	(383)
Allowance for loan losses	542
Premises land and buildings	150
Other real estate owned	(289)
Reversal of deferred tax asset valuation allowance	1,878
Deferred tax impact of fair value adjustments	448
<i>Adjustments to Scottsdale Liabilities assumed to reflect fair value:</i>	
Time Deposits	(67)
Other Liabilities	(622)
	47,948
Goodwill resulting from merger	\$ 11,189

\* Per the Definitive Merger Agreement, no less than 90% of the consideration shall be paid in Mid Penn common stock and no more than 10% of the consideration shall be paid in cash.

- I. The unaudited consolidated combined consolidated balance sheet projects a core deposit intangible asset (premium) of \$696,000 reflecting the long-term stability and low decay rate of Scottdale's high volume of core deposits. The unaudited combined consolidated statement of income projects the core deposit intangible to be amortized over a ten-year period using a sum of the year's digits basis, resulting in \$126,000 of intangible amortization in the first year post merger.
- J. The unaudited pro forma combined consolidated financial statements reflect an adjustment of \$67,000 to reflect the fair value adjustment for time deposit liabilities based on current interest rates for similar-maturing certificates of deposit as of June 30, 2017 (based upon national rates per the FDIC). The adjustment will be recognized using an amortization method based upon the estimated two-year average maturity of the Scottsdale time deposits.



- K. The unaudited consolidated combined consolidated balance sheet include adjustments for liabilities assumed relating to (i) contingent liabilities for contractual commitments of \$522,000 related to termination provisions of Scottdale's core processing, internet banking, and debit card processing service agreements; and (ii) establishment of a \$100,000 reserve for potential liabilities assumed by Mid Penn for historical Scottdale activities that occurred prior to the merger date but were not covered through third-party insurance policies (Scottdale was self-insured for errors, omissions, directors and officers insurance coverage, and had no related potential liability/claim reserves accrued).
  
- L. The unaudited pro form adjustments to the common stock and additional paid-in-capital accounts, and to the number of common shares outstanding, reflect the impact of projected acquisition consideration of

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\$53,223,000 to be paid in Mid Penn common stock (through the issuance of 2,047,679 \$1.00 par value common shares), as the unaudited pro forma combined consolidated financial information assumes that the Scottsdale shareholders will collectively elect to receive the 10% maximum cash consideration (as provided by the Definitive Merger Agreement), with the remaining 90% of consideration to be distributed in MPB common shares. As further discussed in note (1) above, the 90% of the acquisition consideration being paid in Mid Penn common stock would equate to the exchange of 45,646 Scottsdale common shares for Mid Penn common stock. The maximum exchange rate as defined by the Definitive Merger Agreement Article 3.1.(e) is 44.86 Mid Penn shares for each share of Scottsdale common stock (the actual final exchange rate will be dependent upon the price of the Mid Penn stock closer to the actual merger date). Therefore, the unaudited pro forma consolidated financial information projects the issuance of 2,047,679 Mid Penn common shares (45,646 Scottsdale shares multiplied by the 44.86 maximum exchange rate) to fulfill the assumed 90% stock consideration. The adjustments to retained earnings, treasury stock, and accumulated other comprehensive income reflect the elimination of the respective balances in the Scottsdale equity accounts.

- M. The unaudited consolidated combined statement of income reflects accruals for \$1,253,000 of merger-related expenses relating to (i) \$453,000 of projected severance and retention bonus benefits to be accrued for and paid to certain Scottsdale employees expected to be displaced as of, or shortly after, the effective date of the merger; (ii) \$510,000 for Scottsdale's investment banking fees not yet paid and contingent upon the successful closing of the merger; (iii) \$175,000 for Mid Penn's investment banking fees not yet paid and contingent upon the successful closing of the merger; and (iv) \$115,000 for Mid Penn's core processing, storage and imaging, internet banking, and debit card processing service amendments related to the expansion of existing systems and service agreement for the merger-related conversion and integration of Scottsdale customer and account data.
- N. The unaudited pro forma income tax expense adjustment assumes a tax rate of 34% related to merger-related expense and fair value adjustments on pre-tax amounts in the unaudited pro forma combined consolidated statement of income.

**COMPARATIVE PER SHARE DATA (UNAUDITED)**

The following table sets forth certain historical Mid Penn and Scottsdale per share data giving effect to the merger (which we refer to as pro forma information). In presenting the comparative pro forma information for the time periods shown, we assumed that we had been merged on the date or at the beginning of the period indicated.

Mid Penn anticipates that the combined company will derive financial benefits from the merger that include reduced operating expenses and the opportunity to earn more revenue. The pro forma combined information, while helpful in illustrating the financial characteristics of Mid Penn following the merger under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. The pro forma combined information also does not necessarily reflect what the historical results of Mid Penn would have been had our companies been combined during this period.

This data should be read together with Mid Penn's and Scottsdale's historical financial statements and notes thereto, included elsewhere in or incorporated by reference in this document. Please see *Selected Consolidated Historical Financial Data of Mid Penn* beginning on page 21, *Selected Consolidated Historical Financial Data of Scottsdale* beginning on page 23 and *Where You Can Find More Information* beginning on page i. **The per share data is not necessarily indicative of the operating results that Mid Penn would have achieved had it completed the merger as of the beginning of the periods presented and should not be considered as representative of future operations.**



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	As of and for the Year Ended December 31, 2016	As of and for the Six Months Ended June 30, 2017
<i>(In dollars)</i>		
<b>Comparative Per Share Data:</b>		
<b>Basic and diluted net income (loss) per common share:</b>		
Mid Penn historical	\$ 1.85	\$ 1.02
Scottdale historical	10.84	10.47
Pro forma combined <sup>1, 2</sup>	1.19	0.64
Equivalent pro forma for one share of Scottdale common stock <sup>3</sup>	53.38	28.71
<b>Book value per common share:</b>		
Mid Penn historical	\$ 16.65	\$ 17.86
Scottdale historical	892.84	911.79
Pro forma combined <sup>1, 2</sup>	18.43	20.51
Equivalent pro forma for one share of Scottdale common stock <sup>3</sup>	826.89	920.09
<b>Tangible book value per common share:</b>		
Mid Penn historical	\$ 15.59	\$ 16.82
Scottdale historical	892.84	911.79
Pro forma combined <sup>1, 2</sup>	17.72	17.92
Equivalent pro forma for one share of Scottdale common stock <sup>3</sup>	794.85	803.89
<b>Cash dividends declared per share:</b>		
Mid Penn historical	\$ 0.68	\$ 0.36
Scottdale historical	30.00	
Pro forma combined <sup>1, 2</sup>	0.70	0.24
Equivalent pro forma for one share of Scottdale common stock <sup>3</sup>	31.43	10.89

- (1) The pro forma combined basic earnings and diluted earnings of Mid Penn's common stock is based on the pro forma combined net income per common share for Mid Penn and Scottdale divided by the pro forma common shares or diluted common shares of the combined entity, assuming 90% of the outstanding shares of Scottdale common stock are exchanged for Mid Penn common stock at an exchange ratio of 44.86 shares of Mid Penn common stock for each share of Scottdale common stock in accordance with the merger agreement. The pro forma information includes adjustments related to the estimated fair value of assets and liabilities and is subject to adjustment as additional information becomes available and as additional analysis is performed. The pro forma information does not include anticipated cost savings or revenue enhancements.
- (2) The pro forma combined book value of Mid Penn's common stock is based on pro forma combined common shareholders' equity of Mid Penn and Scottdale divided by total pro forma common shares of the combined entities, assuming 90% of the outstanding shares of Scottdale common stock are exchanged for Mid Penn common stock at an exchange ratio of 44.86 shares of Mid Penn common stock for each share of Scottdale

common stock in accordance with the merger agreement. The unaudited pro forma combined consolidated information does not include anticipated cost savings or revenue enhancements.

- (3) The pro forma equivalent per share amount is calculated by multiplying the pro forma combined per share amount by an assumed exchange ratio of 44.86, assuming 90% of the outstanding shares of Scottsdale common stock are exchanged for Mid Penn common stock at an exchange ratio of 44.86 shares of Mid Penn common stock for each share of Scottsdale common stock in accordance with the merger agreement.

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**RISK FACTORS**

In considering whether to vote in favor of the proposal to adopt the merger agreement, you should consider all of the information included in this document and its annexes and all of the information we have incorporated by reference and the risk factors identified by Mid Penn with respect to its operations included in its filings with the SEC, including in its Annual Report on Form 10-K for the year ended December 31, 2016 and subsequent Quarterly Reports on Form 10-Q. See *Incorporation of Certain Documents by Reference*. In addition, you should consider the following risk factors.

***Because the market price of Mid Penn shares of common stock will fluctuate, Scottdale shareholders cannot be sure of the value of the merger consideration they may receive.***

Upon completion of the merger, each share of Scottdale common stock will be converted into the right to receive merger consideration consisting of shares of Mid Penn common stock and/or cash pursuant to the terms of the merger agreement, subject to the requirement that at least 90% of the outstanding shares of Scottdale common stock be exchanged for shares of Mid Penn common stock. The sale prices for shares of Mid Penn common stock may vary from the sale prices of Mid Penn common stock on the date we announced the merger, on the date this joint proxy statement/prospectus was mailed to Scottdale shareholders and on the date of the special meeting of the Scottdale shareholders and from the Average Price. Any change in the market price of Mid Penn shares of common stock prior to closing the merger may affect the value of the merger consideration that Scottdale shareholders will receive upon completion of the merger. Scottdale is not permitted to resolicit the vote of Scottdale shareholders solely because of changes in the market price of Mid Penn shares of common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of Mid Penn common stock.

***Scottdale shareholders may receive a form of consideration different from what they elect.***

The consideration to be received by Scottdale shareholders in the merger is subject to the requirement that at least 90% of the shares of Scottdale common stock is exchanged for Mid Penn common stock and up to 10% is exchanged for cash. The merger agreement contains proration and allocation procedures to achieve this desired result. If you elect all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in Mid Penn common stock.

***Mid Penn may be unable to successfully integrate Scottdale's operations and retain Scottdale's employees.***

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the operations of the two companies include, among other things: integrating personnel with diverse business backgrounds; combining different corporate cultures; and retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the business and the loss of key personnel. The integration of the two companies will require the experience and expertise of certain key employees of Scottdale who are expected to be retained by Mid Penn. Mid Penn may not be successful in retaining these employees for the time period necessary to successfully integrate Scottdale's operations with those of Mid Penn. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business and results of operations of Mid Penn following the merger.

Additionally, Mid Penn may not be able to successfully achieve the level of cost savings and other synergies that it expects, and may not be able to capitalize upon the existing customer relationships of Scottsdale to the extent anticipated, or it may take longer, or be more difficult or expensive than expected to achieve these goals. This could have an adverse effect on Mid Penn's business, results of operation and stock price.

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**Table of Contents*****Scottdale shareholders who make elections may be unable to sell their shares in the market pending the completion of the merger.***

Scottdale shareholders may elect to receive cash, stock or mixed consideration in the merger by completing an election form that will be sent under separate cover. Making an election will require that shareholders turn in their Scottdale stock certificates. This means that during the time between when the election is made and the date the merger is completed, Scottdale shareholders will be unable to sell their Scottdale common stock. If the merger is unexpectedly delayed, this period could extend for a significant period of time. Scottdale shareholders can shorten the period during which they cannot sell their shares by delivering their election shortly before the election deadline. However, elections received after the election deadline will not be accepted or honored.

***The market price of Mid Penn shares of common stock after the merger may be affected by factors different from those currently affecting the shares of Scottdale.***

The businesses of Mid Penn and Scottdale differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Mid Penn. For a discussion of the businesses of Mid Penn and Scottdale, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under *Incorporation of Certain Documents by Reference* on page 205.

***Scottdale shareholders will have a reduced ownership percentage and voting interest after the merger and will exercise less influence over management.***

Scottdale's shareholders currently have the right to vote in the election of the board of directors of Scottdale and on certain other matters affecting Scottdale. When the merger occurs, each Scottdale shareholder that receives shares of Mid Penn common stock will become a shareholder of Mid Penn with a percentage ownership of the combined organization that is much smaller than the shareholder's current percentage ownership of Scottdale. Following completion of the merger, assuming Scottdale shareholders elect to convert 10% of the total outstanding shares of Scottdale common stock into cash and 90% of the total outstanding shares of Scottdale common stock into Mid Penn stock, current Mid Penn shareholders will own in the aggregate 69.9% of the outstanding shares of Mid Penn common stock and Scottdale shareholders will own approximately 30.1% of the outstanding shares of Mid Penn common stock. If the Scottdale shareholders elect to convert greater than 90% of their shares into stock, their percentage ownership would be proportionately higher, so that if 100% of the Scottdale shares were converted into stock the Scottdale shareholders would own approximately 32.3% of the outstanding shares of Mid Penn common stock.

Because of this, Scottdale's shareholders will have less influence on the management and policies of Mid Penn than they now have on the management and policies of Scottdale.

***Disclosures made to the U.S. Securities and Exchange Commission and other regulatory agencies may result in additional inquiry or proceedings, reputational damage and other negative consequences which could adversely affect the financial condition and future operating results of Mid Penn and Scottdale.***

Shortly after the parties entered into the merger agreement, an employee and board member at Scottdale presented information to management of Scottdale and Mid Penn regarding a stock trade in the last quarter of 2016 by an individual who was alleged to have access to material inside information. This was relayed to the full Scottdale board of director which then took action by forming the special committee to investigate the allegations. The special committee was authorized to, and did, retain independent counsel, M&M, to assist in the investigation. M&M had no prior relationship with Scottdale.



During the course of the investigation, M&M reviewed written materials and records, electronic communications and conducted interviews with Scottdale employees, officers and directors. M&M also reviewed two trades in addition to the one described above. M&M then presented its findings to the special committee and worked with the special committee in preparing its report to the full Scottdale board of directors. Of the trades that were reviewed, the special committee communicated to Scottdale and Mid Penn that two shares, acquired from a

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retiring Scottsdale employee (not the trade that formed the basis of the original investigation), appeared to have been transacted in violation of applicable federal securities laws. As to that trade, the special committee report identified multiple mitigating circumstances including that this transaction was consistent with ordinary course of conduct for stock purchases from retiring employees and the purchaser, on its own volition, immediately after announcement of the merger, remitted additional cash to the seller to increase the amount paid to equal the stock value identified in the merger agreement.

This matter has been provided to the independent auditors of both Scottsdale and Mid Penn and has been reported to the SEC by Scottsdale.

The SEC or any federal bank regulatory agencies may conduct their own inquiry into the matters investigated by the special committee and reported by Scottsdale. An investigation by the SEC or any federal bank regulatory agencies could lead to the institution of civil or administrative proceedings against Scottsdale or, as successor by merger, Mid Penn as well as against individuals currently or previously associated with Scottsdale. Any such proceedings or threatened proceedings might result in the imposition of monetary fines or other sanctions against the named parties. Resulting sanctions could include remedial measures that might prove costly or disruptive to the business of Scottsdale and Mid Penn. The pendency of any investigation by the SEC or any federal bank regulatory agencies and any resulting litigation or sanctions could harm our reputation, leading to a loss of existing and potential customers, or other developments which could adversely affect the financial condition and future operating results of Scottsdale and Mid Penn. In addition, management time and resources will be diverted to address the investigation and any related litigation, and Scottsdale and Mid Penn may incur significant legal and other expenses in defense of the investigation and any related litigation.

***Future issuances of Mid Penn equity securities could dilute shareholder ownership and voting interest.***

Mid Penn's articles of incorporation authorize the issuance of up to 10 million shares of common stock, which is the maximum number of shares Mid Penn may have issued and outstanding at any one time. Mid Penn's ability to issue additional shares is reduced by the number of shares that are currently outstanding and already reserved for future issuances. Any future issuance of equity securities by Mid Penn may result in dilution in the percentage ownership and voting interest of Mid Penn shareholders. Also, any securities Mid Penn sells in the future may be valued differently and the issuance of equity securities for future services, acquisitions or other corporate actions may have the effect of diluting the value of shares held by Mid Penn shareholders.

***The merger agreement limits Scottsdale's ability to pursue alternatives to the merger.***

The merger agreement contains no shop provisions that, subject to specified exceptions, limit Scottsdale's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of Scottsdale. In addition, a termination fee is payable by Scottsdale under certain circumstances, generally involving the decision to pursue an alternative transaction. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Scottsdale from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share value than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Scottsdale than it might otherwise have proposed to pay, if the merger with Mid Penn had not been announced.

***Scottsdale shareholders have dissenters' rights in the merger.***

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a

court in a judicial proceeding instead of receiving the merger consideration offered to shareholders in connection with the extraordinary transaction.

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***The merger is subject to the receipt of consents and approvals from governmental and regulatory entities that may impose conditions that could have an adverse effect on Mid Penn.***

Before the merger may be completed, various waivers, approvals or consents must be obtained from the FRB, the FDIC and the PDB. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on, or limiting the revenues of, Mid Penn following the merger, any of which might have an adverse effect on Mid Penn following the merger. In addition, neither Mid Penn nor Scottdale is obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any condition or restriction that either of the boards of directors of Mid Penn or Scottdale reasonably determines would materially and adversely affect the business, operations, financial condition, property or assets of Mid Penn, Mid Penn Bank, or Scottdale or would materially impair the value of Scottdale to Mid Penn or of Mid Penn or Mid Penn Bank to Scottdale.

***Scottdale's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Scottdale shareholders.***

Scottdale's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Scottdale shareholders. For example, Donald F. Kiefer, or a mutually agreed upon qualified replacement candidate, will serve on the board of directors of Mid Penn and Mid Penn Bank after the merger and will receive compensation for his services as a director. In addition, certain officers or employees have entered into settlement agreements pursuant to which they will receive certain payments at the effective time of the merger. For information concerning these interests, please see the discussion under the caption *The Merger Interests of Scottdale's Directors and Executive Officers in the Merger* on page 72.

***The shares of Mid Penn common stock to be received by Scottdale shareholders as a result of the merger will have different rights from the shares of Scottdale common stock.***

Upon completion of the merger, Scottdale shareholders who receive the stock consideration will become Mid Penn shareholders. Their rights as shareholders will be governed by Pennsylvania corporate law and the articles of incorporation and bylaws of Mid Penn. The rights associated with Scottdale common stock are governed by the articles of incorporation and bylaws of Scottdale and are different from the rights associated with Mid Penn common stock. See the section of this joint proxy statement/prospectus titled *Comparison of Shareholders Rights* beginning on page 197 for a discussion of the different rights associated with Mid Penn common stock.

***Termination of the merger agreement could negatively affect Scottdale.***

If the merger agreement is terminated, there may be various consequences, including the fact that Scottdale's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger.

If the merger agreement is terminated and Scottdale's board of directors seeks another merger or business combination, Scottdale shareholders cannot be certain that Scottdale will be able to find a party willing to offer equivalent or more attractive consideration than the consideration Mid Penn has agreed to provide in the merger.

If the merger agreement is terminated and a different business combination is pursued, Scottdale may be required to pay a termination fee of \$2,365,500 to Mid Penn under certain circumstances. See *The Merger Agreement Termination Fee* beginning on page 85.



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***The fairness opinions obtained by Scottdale and Mid Penn from their respective financial advisors will not reflect changes in circumstances subsequent to the date that such opinions were rendered.***

Scottdale has obtained a fairness opinion dated as of March 29, 2017, from its financial advisor, Ambassador. Mid Penn has obtained a fairness opinion dated as of March 29, 2017, from its financial advisor, Sandler. Neither Scottdale nor Mid Penn has obtained, and neither will obtain, an updated opinion as of the date of this joint proxy statement/prospectus from their respective financial advisor. Changes in the operations and prospects of Mid Penn or Scottdale, general market and economic conditions and other factors that may be beyond the control of Mid Penn and Scottdale may alter the value of Mid Penn or Scottdale or the price of shares of Mid Penn common stock or Scottdale common stock by the time the merger is completed. The opinions do not speak to the time the merger will be completed or to any other date other than the date of such opinions. As a result, the opinions will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. For a description of the opinion that Scottdale received from Ambassador, please see *The Merger Opinion of Scottdale's Financial Advisor* beginning on page 45 of this joint proxy statement/prospectus. For a description of the opinion that Mid Penn received from Sandler, please see *The Merger Opinion of Mid Penn's Financial Advisor* beginning on page 57 of this joint proxy statement/prospectus.

***The merger agreement may be terminated in accordance with its terms and the merger may not be completed.***

The merger agreement is subject to a number of conditions that must be fulfilled in order to complete the merger. Those conditions include, among others: approval of the merger agreement by Mid Penn and Scottdale shareholders, regulatory approvals, absence of orders prohibiting the completion of the merger, effectiveness of the registration statement of which this joint proxy statement/prospectus is a part, approval of the shares of Mid Penn common stock to be issued to Scottdale shareholders for listing on the Nasdaq Global Select Market, the continued accuracy of the representations and warranties by both parties, the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. See *The Merger Agreement Termination of the Merger Agreement* beginning on page 84 for a more complete discussion of the circumstances under which the merger agreement could be terminated. The conditions to closing of the merger may not be fulfilled and the merger may not be completed.

***We may fail to realize all of the anticipated benefits of the merger.***

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of Mid Penn and Scottdale. However, to realize these anticipated benefits and cost savings, which include increased Mid Penn lending limits and access to stable core deposits, we must successfully combine the businesses of Mid Penn and Scottdale. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all, or may take longer to realize than expected.

Mid Penn and Scottdale have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on Mid Penn or Scottdale during the transition period.

Another expected benefit from the merger is an expected increase in the revenues of the combined company from anticipated sales of Mid Penn's greater variety of financial products, and from increased lending out of Mid Penn's

substantially larger capital base, to Scottsdale's existing customers and to new customers in Scottsdale's market area who may be attracted by the combined company's enhanced offerings. An inability to

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successfully market Mid Penn's products to Scottdale's customer base could cause the earnings of the combined company to be less than anticipated.

### ***Failure to complete the merger could negatively affect the market price of Mid Penn's and Scottdale's common stock.***

If the merger is not completed for any reason, Mid Penn and Scottdale will be subject to a number of material risks, including the following:

the market price of Scottdale common stock may decline to the extent that the current market prices of its common stock already reflect a market assumption that the merger will be completed;

costs relating to the merger, such as legal, accounting and financial advisory fees, and, in specified circumstances, additional reimbursement and termination fees, must be paid even if the merger is not completed; and

the diversion of management's attention from the day-to-day business operations and the potential disruption to each company's employees and business relationships during the period before the completion of the merger may make it difficult to regain financial and market positions if the merger does not occur.

### ***Unanticipated costs relating to the merger could reduce Mid Penn's future earnings per share.***

Mid Penn and Scottdale believe that they have reasonably estimated the likely incremental costs of the combined operations of Mid Penn and Scottdale following the merger. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as unanticipated costs to integrate the two businesses, increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, including negative changes in the value of Scottdale's loan portfolio, could have a material adverse effect on the results of operations and financial condition of Mid Penn following the merger. In addition, if actual costs are materially different than expected costs, the merger could have a significant dilutive effect on Mid Penn's earnings per share.

### ***Scottdale will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Scottdale and consequently on Mid Penn. These uncertainties may impair Scottdale's ability to attract, retain and motivate key personnel until the merger is consummated, and could cause customers and others that deal with Scottdale to seek to change existing business relationships with Scottdale. Retention of certain employees may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Mid Penn. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Mid Penn, Mid Penn's business following the merger could be harmed. In addition, the merger agreement restricts Scottdale from taking certain actions until the merger occurs without the consent of Mid Penn. These restrictions may prevent Scottdale from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled *The Merger Agreement Covenants and Agreements* beginning on page 77 of this joint proxy statement/prospectus for a description of the restrictive covenants to which Scottdale is subject under the merger agreement.



***If the merger is not completed, Scottdale and Mid Penn will have incurred substantial expenses without realizing the expected benefits of the merger.***

Scottdale and Mid Penn have both incurred substantial expenses in connection with the merger. The completion of the merger depends on the satisfaction of specified conditions and the receipt of regulatory approvals and the approval of Mid Penn's and Scottdale's shareholders. Scottdale and Mid Penn cannot guarantee that these

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conditions will be met. If the merger is not completed, these expenses could have an adverse impact on the financial condition and results of operations on a stand-alone basis for both Scottsdale and Mid Penn.

***The federal income tax consequences of the merger for Scottsdale stockholders will be dependent upon the merger consideration received.***

The federal income tax consequences of the merger to you will depend upon the merger consideration you receive. In general, if you exchange your shares of Scottsdale common stock solely for cash, you will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the cash you receive and your adjusted tax basis in your Scottsdale common stock. If you receive solely Mid Penn common stock in exchange for your Scottsdale common stock, you generally will not recognize any gain or loss for federal income tax purposes. However, you generally will have to recognize gain or loss in connection with cash received in lieu of fractional shares of Mid Penn common stock. If you receive a combination of cash and Mid Penn common stock in the transaction, you generally will not recognize loss but will recognize gain, if any, to the extent of any cash received. For a more detailed discussion of the federal income tax consequences of the transaction to you, see, *Material United States Federal Income Tax Consequences of the Merger* on page 86.

***Litigation relating to the merger could require us to incur significant costs and suffer management distraction, as well as delay and/or enjoin the merger.***

Neither Scottsdale nor Mid Penn is currently able to predict the outcome of any suit arising out of or relating to the proposed transaction that may be filed in the future. If any letters or complaints are filed, absent allegations that are material, Scottsdale and Mid Penn will not necessarily announce such additional filings.

Scottsdale and Mid Penn could be subject to additional demands or litigation related to the merger, whether or not the merger is consummated. Such actions may create additional uncertainty relating to the merger, and responding to such demands and defending such actions may be costly and distracting to management. Although there can be no assurance as to the ultimate outcomes of the demand or any subsequent litigation, neither Scottsdale nor Mid Penn believes that the resolution of such demands or any subsequent litigation will have a material adverse effect on its respective financial position, results of operations or cash flows.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Mid Penn, Scottsdale and the potential combined company and may include statements for periods following the completion of the merger. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either Mid Penn or Scottsdale to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those beginning on page 33 under *Risk Factors*, as well as, among others, the following:

those discussed and identified in public filings with the SEC and bank regulatory agencies made by Mid Penn and Scottsdale;

completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;

the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

higher than expected increases in Mid Penn's or Scottsdale's loan losses or in the level of nonperforming loans;

a continued weakness or unexpected decline in the U.S. economy, in particular in Pennsylvania;

a continued or unexpected decline in real estate values within Mid Penn's and Scottsdale's market areas;

unanticipated reduction in Mid Penn's or Scottdale's respective deposit bases or funding sources;

government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate risk policies of the FRB;

legislative and regulatory actions could subject Mid Penn to additional regulatory oversight which may result in increased compliance costs and/or require Mid Penn to change its business model;

the integration of Scottdale's business and operations with those of Mid Penn may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Scottdale's or Mid Penn's existing businesses; and

the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected.

Because forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to Mid Penn or Scottdale or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus. Except to the extent required by applicable law or regulation, Mid Penn and Scottdale undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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**Table of Contents****THE MERGER*****Background of the Merger***

The Scottsdale board has periodically reviewed the competitive environment in its market area as well as merger and acquisition activity in the financial services industry in general and in Pennsylvania in particular. The Scottsdale board of directors and management have also been aware in recent years of changes in the financial services industry and the regulatory environment as well as the competitive challenges facing a financial institution such as Scottsdale. These challenges have included increasing government regulations, increasing expense burdens and commitments for technology and training, and increasing competition in the delivery of financial products and services combined with increased customer expectations for the availability of sophisticated financial products and services from financial institutions. The most concerning of these factors has been the significant regulatory burden for smaller community banks.

Beginning in April 2016, Donald F. Kiefer, Scottsdale's President and Chief Executive Officer, Lawrence J. Kiefer, Scottsdale's Treasurer, and Lynn Kiefer Andras, Scottsdale's head of human resources, had discussions with representatives of multiple investment banking firms about the process of reviewing strategic alternatives. Messrs. D. Kiefer and L. Kiefer and Ms. Andras are siblings and collectively, directly and indirectly, control a majority of the shares of Scottsdale's common stock. Mr. D. Kiefer and Ms. Andras also serve as members of the Scottsdale board of directors. The strategic alternatives considered included, among other things, continuing on-going operations as an independent institution, obtaining additional financing, acquiring other depository institutions and entering into a merger or acquisition transaction with a similarly sized or larger institution.

Between June 3, 2016 and November 14, 2016, Messrs. D. Kiefer and L. Kiefer and Ms. Andras held a number of conversations and meetings with representatives of Ambassador, an investment banking firm, to discuss Scottsdale's markets, customers and strategic plans. On October 17, 2016, Scottsdale engaged Ambassador to serve as its financial advisor. On November 15, 2016, Scottsdale's board of directors met to discuss the banking environment and the strategic alternatives discussed above, including the universe of potential acquirors. Representatives of Ambassador and Scottsdale's outside counsel, Tucker Arensberg, were present. The Scottsdale board of directors instructed Ambassador to contact potential buyers and to commence a process to determine interest in a potential combination with Scottsdale.

Between November 17, 2016 and December 22, 2016, Ambassador contacted twenty-four potential acquirors, with seventeen of them entering into nondisclosure agreements with Scottsdale. Simultaneously, between November 29, 2016 and December 7, 2016, representatives of Ambassador and Scottsdale's management had in-person visits with ten potential acquirors, including Mid Penn's management on December 5, 2016. Between December 7, 2016 and December 22, 2016, representatives of Ambassador had conference calls or made inquiries with the other seven potential acquirors who had entered into nondisclosure agreements.

Scottsdale also had meetings with four potential acquirors that requested in-person meetings. On December 14, 2016, Messrs. D. Kiefer and L. Kiefer and Ms. Andras met with Rory G. Ritrievi, Mid Penn's President and Chief Executive Officer, Michael D. Peduzzi, Mid Penn's Executive Vice President and Chief Financial Officer, and Justin T. Webb, Mid Penn's Executive Vice President and Chief Risk Officer, to discuss a potential business combination. Discussions centered around business models, culture and philosophies and potential deal structures and preliminary pricing. Messrs. D. Kiefer and L. Kiefer and Ms. Andras had similar meetings with representatives of Bank C on December 14, 2016, representatives of Bank D on December 16, 2016 and representatives of Bank B on December 19, 2016.

On December 30, 2016, representatives of Sandler, an investment banking firm, sent Mid Penn's management its first analysis of a potential combination between Mid Penn and Scottsdale.

On January 4, 2017, Ambassador circulated bid instructions pursuant to which interested parties could send non-binding letters of intent. On January 12, 2017, Mid Penn's management discussed the terms of a potential

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letter of intent with representatives of Sandler. On January 16, 2017, the executive committee of the Mid Penn board of directors met to review the potential opportunity to combine with Scottsdale and the terms of the letter of intent. Mid Penn's management and representatives of Sandler were present. The executive committee of the Mid Penn board of directors instructed its management to submit a letter of intent valuing Scottsdale between \$54 million and \$61 million. On January 17, 2017, Mid Penn submitted its initial letter of intent.

On January 24, 2017, the Scottsdale board of directors met with management and representatives of Ambassador to review the five letters of intent received. Following a review and extensive discussion, the Scottsdale board of directors instructed management to continue discussions with Mid Penn and Bank B. Bank B and Mid Penn were asked to submit revised non-binding letters of intent. Representatives of Ambassador notified the other three participants that they were no longer in the process.

On February 9, 2017 and February 10, 2017, Bank B conducted due diligence on Scottsdale. On February 15, 2017, Mid Penn's management conducted due diligence on Scottsdale at an off-site location.

On February 22, 2017, the Mid Penn board of directors met with its management and representatives of Sandler to review a potential acquisition of Scottsdale, including the terms of a revised letter of intent.

On February 23, 2017, Scottsdale's management and representatives of Ambassador visited Bank B to meet with its management to discuss a potential transaction. Messrs. D. Kiefer and L. Kiefer and Ms. Andras and their brother, Bruce Kiefer, who is a Scottsdale shareholder and sibling of Messrs. D. Kiefer and L. Kiefer and Ms. Andras, and a representative of Ambassador visited Mid Penn on February 27, 2017 to meet with its management and some members of the Mid Penn board of directors to discuss a potential transaction.

On February 28, 2017, Mid Penn and Bank B submitted revised letters of intent. On March 3, 2017, the Scottsdale board of directors met with management and representatives of Ambassador to review the both revised letters of intent. Following a review and extensive discussion, the Scottsdale board of directors instructed management to continue discussions with Mid Penn. Representatives of Ambassador notified Bank B that it was no longer in the process. On March 10, 2017, Scottsdale and Mid Penn entered into an exclusivity agreement.

On March 13, 2017, Mid Penn's legal counsel, Stevens & Lee, circulated an initial draft of the merger agreement to Scottsdale. From the initial delivery of a draft of the merger agreement on March 13, 2017 through March 29, 2017, Stevens & Lee, as counsel to Mid Penn, and Tucker Arensberg, as counsel to Scottsdale, exchanged multiple drafts of the merger agreement. Throughout the course of negotiations, Stevens & Lee and Tucker Arensberg each had several conversations with management of their respective clients regarding the developments and progress of the negotiations and received input from management regarding the issues emerging from such negotiations.

On March 17, 2017, Scottsdale's management conducted on-site reverse due diligence on Mid Penn. Representatives of Ambassador were present.

On March 22, 2017, the Mid Penn board of directors met with management to review the status of the transaction, including the present terms of the merger and the merger agreement. Representatives of Sandler and Stevens & Lee were present.

On March 29, 2017, the Scottsdale board of directors held a special meeting to review the merger proposal as set forth in the definitive merger agreement and related documents negotiated by Scottsdale and Mid Penn and their respective advisors. The Scottsdale board received a presentation regarding the results of due diligence conducted on Mid Penn from Scottsdale's management. At the meeting, Ambassador reviewed with Scottsdale's board of directors the financial

aspects of the proposed merger and rendered to the board an oral opinion (which was confirmed by a written opinion, dated March 29, 2017) to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review



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undertaken by Ambassador as set forth in its written opinion, the merger consideration to be received by the holders of Scottsdale common stock in the merger was fair to such holders from a financial point of view. After careful and deliberate consideration of the presentations as well as the interests of Scottsdale's shareholders, customers, employees and communities served by Scottsdale, Scottsdale's board of directors unanimously (i) determined that the merger agreement and the transactions contemplated thereby were advisable and fair to and in the best interests of Scottsdale, (ii) approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby and (iii) subject to the board's fiduciary duties, recommended the approval and adoption of the merger agreement and the transactions contemplated thereby by Scottsdale's shareholders.

Also on March 29, 2017, the Mid Penn board of directors held a special meeting to review the final draft of the merger agreement. Stevens & Lee reviewed the provisions of the merger agreement in detail with the board of directors. Sandler reviewed its financial analyses of the merger and delivered an oral opinion, which was subsequently confirmed in writing, to the effect that, as of that date and subject to assumptions made, procedures followed, matters considered and limitations on the review undertaken set forth in the opinion, the merger consideration in the merger was fair, from a financial point of view, to Mid Penn. After careful consideration of these presentations and further discussion, the Mid Penn board of directors unanimously approved the merger agreement and agreed to recommend that Mid Penn's shareholders adopt and approve the merger agreement and the merger.

After the market closed on March 29, 2017, the parties exchanged signature pages for the merger agreement and voting agreements, and Scottsdale and Mid Penn issued a joint press release announcing the execution of the merger agreement.

### *Scottsdale's Reasons for the Merger*

In reaching its conclusion to approve the merger and the merger agreement and recommend that Scottsdale's shareholders vote **FOR** adoption of the merger agreement, Scottsdale's board of directors, at its meeting held on March 29, 2017, considered the merger agreement and determined it to be fair to, advisable and in the best interests of Scottsdale, its shareholders and its other constituencies. Scottsdale's board of directors unanimously voted in favor of the merger agreement and the transactions it contemplates. In evaluating the merger, Scottsdale's board of directors consulted with management, as well as Scottsdale's legal and financial advisors, and considered a number of factors, including:

a review of Scottsdale's current business, operations, earnings, financial condition and prospects and of Mid Penn's current business, operations, earnings, financial condition and prospects, taking into account its familiarity with Mid Penn, its management and the results of Scottsdale's due diligence review of Mid Penn;

knowledge of the current environment in the financial services industry, including economic conditions, the continuing consolidation, increasing operating costs resulting from federal and state regulatory initiatives and compliance mandates, increasing competition from larger regional institutions and current financial market conditions and the likely effects of these factors on Scottsdale's potential growth, productivity and strategic options;

the terms and conditions of the merger, including both the amount and nature of the consideration proposed to be paid in connection with the merger and Scottsdale's board's assessment of the likelihood that the merger

would be completed in a timely manner;

the fact that Scottdale shareholders will receive a significant premium;

the fact that Scottdale would continue to operate as a separate banking division of Mid Penn Bank for at least 3 years following completion of the merger;

the financial presentation of Ambassador, including its opinion, dated March 29, 2017, as more fully described below under the caption Opinion of Scottdale's Financial Advisor;

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the fact that Scottdale's stock is not very liquid and that Mid Penn's stock trades on The Nasdaq Global Select Market which provides greater liquidity;

the fact that the merger consideration, in the form of shares of Mid Penn common stock, will be tax-free to Scottdale shareholders;

the current Mid Penn cash dividend rate;

expansion of the Mid Penn and Mid Penn Bank boards or directors to include Donald F. Kiefer or a mutually agreed upon qualified replacement candidate;

the fact that the merger is not expected to result in significant employment loss for current Scottdale employees;

the fact that no Scottdale branch closings are anticipated;

the opportunity to offer Scottdale's customers additional products and services, especially those related to loans and technology;

the increased ability to cope with cybersecurity demands;

the potential cost saving opportunities; and

the positive anticipated impact of the merger on Scottdale's employees and the surrounding community. Scottdale's board of directors also considered a variety of risks and other potentially negative factors concerning the merger, including, without limitation, the following factors:

the risk that potential benefits of the merger, including possible synergies, might not be realized;

the possibility that the consummation of the merger may be delayed, or not occur;

the incurrence of substantial expenses related to the merger, including transaction expenses and integration costs;

the time commitment of management to effectuate the merger; and

the other potential risks described under the heading "Risk Factors" in this joint proxy statement/prospectus. The foregoing discussion of the information and factors considered by the board of directors of Scottsdale is not intended to be exhaustive, but includes the material factors considered by the board of directors of Scottsdale. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors of Scottsdale did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The board of directors of Scottsdale considered all these factors as a whole, including discussions with, and questioning of Scottsdale's management and Scottsdale's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

Scottsdale shareholders should be aware that Scottsdale's directors and executive officers have interests in the merger that are different from, or in addition to, those of other Scottsdale shareholders. The board of directors of Scottsdale was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending that the Merger Proposal be approved by the shareholders of Scottsdale. See *Scottsdale's Directors and Executive Officers Have Financial Interests in the Merger*.

This summary of the reasoning of the Board of Directors of Scottsdale and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Forward-Looking Statements."

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***Recommendation of Scottdale s Board of Directors***

Scottdale s board of directors believes that the terms of the transaction are in the best interests of Scottdale and its shareholders and has unanimously approved the merger agreement. **Accordingly, Scottdale s board of directors unanimously recommends that Scottdale s shareholders vote FOR adoption of the merger agreement and FOR an adjournment of the Scottdale special meeting, if necessary, to solicit additional proxies.**

***Opinion of Scottdale s Financial Advisor***

Scottdale retained Ambassador to act as Scottdale s financial advisor in connection with the possible business combination of Scottdale with another party. Ambassador is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Ambassador is regularly engaged in the valuation of financial institutions and their securities in connection with mergers, acquisitions and other corporate transactions.

On March 29, 2017, Ambassador delivered its opinion to Scottdale s board of directors to the effect that, as of such date and based upon and subject to various considerations set forth in the opinion, the merger consideration to be received by the holders of Scottdale common stock in the merger was fair to such holders from a financial point of view. Ambassador s opinion was approved by Ambassador s Fairness Opinion Committee. Ambassador has consented to the inclusion of its opinion in this proxy statement/prospectus.

**The full text of Ambassador s written opinion to Scottdale, which sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as *Annex B* to this proxy statement/prospectus and is incorporated by reference in its entirety into this proxy statement/prospectus. Holders of Scottdale common stock are encouraged to read the opinion carefully in its entirety. The following summary of Ambassador s opinion is qualified in its entirety by reference to the full text of such opinion.**

**Ambassador s opinion to Scottdale s board of directors was rendered for the benefit of Scottdale s board (in its capacity as such) in connection with its evaluation of the merger. Ambassador s opinion is not intended and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the merger or any matter relating thereto. Ambassador s opinion does not address the relative merits of the merger as compared to any other transaction or business strategy in which Scottdale might engage or the merits of the underlying decision by Scottdale to engage in the merger.**

No limitations were imposed by Scottdale on the scope of Ambassador s investigation or on the procedures followed by Ambassador in rendering its opinion.

In rendering the opinion, Ambassador:

Reviewed the merger agreement dated March 29, 2017;

Reviewed Scottdale s audited financial statements as of or for the fiscal years ended December 31, 2015 and December 31, 2014;

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Reviewed Mid Penn's Form 10-K for the fiscal years ended December 31, 2016 and December 31, 2015, including the financial statements contained therein;

Reviewed Scottdale's and Mid Penn Bank's respective quarterly call reports for December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016;

Reviewed other publicly available information regarding Scottdale and Mid Penn;

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Reviewed certain non-public information provided to Ambassador by or on behalf of Scottdale and Mid Penn, regarding Scottdale and Mid Penn (including financial projections and forecasts for Scottdale and Mid Penn provided to Ambassador by the respective managements of Scottdale and Mid Penn) and projected cost savings anticipated by the management of Mid Penn to be realized from the merger;

Reviewed recently reported stock prices and trading activity of Mid Penn common stock and Scottdale common stock;

Discussed the past and current operations, financial condition and future prospects of Scottdale and Mid Penn with senior executives of Scottdale and Mid Penn, respectively;

Reviewed and analyzed certain publicly available financial and stock market data of banking companies that Ambassador selected as relevant to Ambassador's analysis of Scottdale and Mid Penn;

Reviewed and analyzed certain publicly available financial data of transactions that Ambassador selected as relevant to its analysis of Scottdale;

Considered Mid Penn's financial and capital position and certain potential pro forma financial effects of the merger on Mid Penn;

Considered the results of the process conducted by or on behalf of Scottdale, with Ambassador's assistance, to solicit indications of interest from third parties with respect to a possible sale of Scottdale;

Conducted other analyses and reviewed other information Ambassador considered necessary or appropriate; and

Incorporated Ambassador's assessment of the overall economic environment and market conditions, as well as Ambassador's experience in mergers and acquisitions, bank stock valuations and other transactions. In rendering Ambassador's opinion, Ambassador also relied upon and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to Ambassador by or on behalf of Scottdale and Mid Penn and publicly available information used in Ambassador's analyses. Ambassador did not assume any responsibility for the accuracy, reasonableness and completeness of any of the foregoing materials provided to Ambassador and publicly available information or for the independent verification thereof. With respect to the financial projections and forecasts for Scottdale and Mid Penn reviewed by Ambassador and other non-public information related to projected cost savings referred to above, Ambassador assumed, with Scottdale's consent, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Scottdale and Mid Penn, as the case may be, as to the future financial performance of Scottdale and Mid Penn and such cost savings and that the financial results reflected in such projections and forecasts as well as such cost savings would be realized in the amounts and at the times projected. Ambassador assumed no responsibility for and expressed no view as to any of the foregoing financial projections and forecasts, other

non-public information reviewed by Ambassador or the assumptions on which they were based.

Ambassador is not an expert in the evaluation of deposit accounts or loans, mortgages or similar portfolios or allowances for losses with respect thereto and Ambassador was not requested to, and Ambassador did not, conduct a review of individual credit files or loans, mortgages or similar portfolios. Ambassador assumed no responsibility for and expressed no view as to the adequacy or sufficiency of allowances for losses or other matters with respect thereto and Ambassador assumed that each of Scottsdale and Mid Penn had, and the pro forma combined company would have, appropriate reserves to cover any such losses. Ambassador did not conduct any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Scottsdale, Mid Penn or any other party, and Ambassador was not furnished with any such valuation or appraisal.



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Ambassador's opinion was based on conditions as they existed and the information Ambassador received, as of the date of Ambassador's opinion. Ambassador does not have any obligation to update, revise or reaffirm its opinion. Ambassador expressed no opinion as to the actual value of Mid Penn common stock when issued in the merger or the prices at which Scottsdale common stock or Mid Penn common stock might trade at any time.

In rendering its opinion, Ambassador assumed, with Scottsdale's consent, that the merger and related transactions would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Ambassador also assumed, with Scottsdale's consent, that, in the course of obtaining the necessary governmental, regulatory and other third party approvals, consents and releases for the merger, including with respect to any divestiture or other requirements, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Scottsdale, Mid Penn or the merger (including the contemplated benefits thereof). Ambassador also assumed, with Scottsdale's consent, that the final merger agreement would not differ from the draft reviewed by Ambassador in any respect material to Ambassador's analyses or opinion. Ambassador further assumed, with Scottsdale's consent, that the merger would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Ambassador expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified in Ambassador's opinion) of the merger or any related transaction. Ambassador expressed no opinion with respect to the fairness of the amount or nature of any compensation to any of the officers, directors, or employees of any party to the merger, or any class of such persons, relative to the merger consideration or otherwise.

In performing its analyses, Ambassador made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Ambassador, Scottsdale and Mid Penn. Any estimates contained in the analyses performed by Ambassador are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, Ambassador's opinion was among several factors taken into consideration by the Scottsdale's board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Scottsdale board with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Scottsdale and Mid Penn and the decision to enter into the merger agreement was solely that of Scottsdale's board.

**Selected Implied Transaction Ratios for the Merger**

Based on Scottsdale's financial information as of December 31, 2016, for the twelve months ended December 31, 2016 or for the three months ended December 31, 2016 (annualized) or the closing price of Scottsdale common stock on March 27, 2017, Ambassador calculated the following transaction ratios using an implied per share value of the merger consideration of \$1,166, or an implied transaction value of approximately \$59.1 million:

Transaction value / tangible book value	130%
Transaction value / last twelve months earnings	107.6x
Transaction value / last three months earnings annualized	28.1x
Core deposit premium <sup>1</sup>	6.4%
Market premium to average closing price <sup>2</sup>	153.5%

- (1) Calculated as follows:  $(\text{implied transaction value} - \text{tangible equity}) / \text{core deposits}$ ; where core deposits are defined as: total deposits, less time deposit accounts with balances over \$100,000, foreign deposits, and unclassified deposits.

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- (2) Calculated as follows: (implied per share value of the merger consideration / average closing price) / average closing price; where the average closing price is defined as the 20 trading day average closing price as of March 27, 2017.

The following is a summary of the material financial analysis presented by Ambassador to Scottsdale's board in connection with rendering its opinion. This summary is not a complete description of the analyses and procedures performed by Ambassador in the course of arriving at its opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytical process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Ambassador did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Ambassador believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. No company, transaction or business used in Ambassador's analyses for comparative purposes is identical to Scottsdale, Mid Penn or the proposed merger and an evaluation of the results of those analyses is not entirely mathematical.

**Comparable Institutions Analysis of Scottsdale**

Ambassador performed a comparable institutions analysis by comparing the financial and stock performance of Scottsdale with those of the following nine selected publicly traded institutions that were headquartered in Pennsylvania, Ohio or West Virginia, were not mutual institutions or merger or acquisition targets and had assets between \$200 million and \$500 million, average one-year daily trading volume greater than 200, nonperforming assets to assets ratios less than 2%, and returns on equity less than 7%:

**Description of Comparable Institutions**

Institution	Assets <sup>3</sup>		City, State	Ticker	Exchange
	In Millions				
Central Federal Corporation	\$	436	Worthington, OH	CFBK	NASDAQ
Commercial National Financial Corporation		366	Latrobe, PA	CNAF	OTCQX
Consumers Bancorp, Inc.		441	Minerva, OH	CBKM	OTC Pink
First West Virginia Bancorp, Inc.		335	Wheeling, WV	FWVB	OTCQX
MNB Corporation		373	Bangor, PA	MNBC	OTC Pink
Northumberland Bancorp		498	Northumberland, PA	NUBC	OTC Pink
Potomac Bancshares, Inc.		383	Charles Town, WV	PTBS	OTC Pink
Wayne Savings Bancshares, Inc.		455	Wooster, OH	WAYN	NASDAQ
WVS Financial Corp.		340	Pittsburgh, PA	WVFC	NASDAQ

- (3) Financial data as of December 31, 2016, or if unavailable, September 30, 2016.

Source: S&P Global Market Intelligence.



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Ambassador compared the financial performance of Scottdale and the selected institutions as indicated in the following table:

**Financial Performance of Scottdale and Comparable Institutions<sup>4</sup>**

	Assets In Millions	Loans / Deposits	Tangible Equity/ Tang. Assets	Tangible Comm. Eq./ Tang. Assets	NPAs/ Assets	Return on Average Assets	Return on Average Equity <sup>5</sup>
High	\$ 498	100%	15.00%	15.00%	1.88%	1.09%	6.62%
75 <sup>th</sup> Percentile	448	91	9.82	9.83	.99	.58	5.96
Median	383	68	9.42	9.42	.79	.49	5.46
25 <sup>th</sup> Percentile	353	59	8.66	8.29	.24	.44	4.33
Low	335	35	7.93	6.40	.07	.40	3.95
Scottdale	\$ 263	29%	17.28%	17.28%	.31%	.21%	1.23%

(4) Financial data is as of December 31, 2016, or the twelve months ended December 31, 2016, or if unavailable, September 30 2016, or the twelve months ended September 30, 2016.

(5) Commercial National Financial Corporation's earnings were adjusted to remove impact of large one-time securities gains realized in the first half of 2016.

Source: S&P Global Market Intelligence.

Ambassador then compared the stock performance of Scottdale and the selected institutions as indicated in the following table:

**Stock Performance of Scottdale and Comparable Institutions<sup>6</sup>**

	Earnings per Share		Stock Price/ Tang. Book Per Share	Assets Per Share	Dividend Yield	Shares Traded Daily
	LTM	MRQ				
High	42.8X	59.6X	128%	16.2%	5.01%	36,565
75 <sup>th</sup> Percentile	22.4	45.6	121	11.1	3.38	1,948
Median	20.2	17.8	112	9.7	2.36	1,448
25 <sup>th</sup> Percentile	16.0	15.4	90	8.2	1.80	489
Low	14.7	13.1	82	7.2	0.00	283
Scottdale	42.4X	11.1X	51%	8.9%	1.96% <sup>7</sup>	1

(6) Financial data as of December 31, 2016, or for the applicable period ended December 31, 2016, or if unavailable, September 30, 2016, or the applicable period ended September 30, 2016. Market data is as of March 27, 2017.

(7) Assumes a normalized dividend per share for Scottdale per guidance from Scottdale.

Source: S&P Global Market Intelligence.



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Ambassador also reviewed the historical stock price performance of Scottsdale relative to the selected institutions and selected stock indices, as indicated in the following tables:

**Scottsdale Historical Stock Performance****Relative to Comparable Institutions and Selected Indices**

## One-Year Stock Performance

Date	Scottdale (SDLJ)	Comparable Institutions	S&P 500	NASDAQ Bank Index
March 27, 2017	104%	113%	115%	136%
March 24, 2016 <sup>8</sup>	100	100	100	100

## Three-Year Stock Performance

Date	Scottdale (SDLJ)	Comparable Institutions	S&P 500	NASDAQ Bank Index
March 27, 2017	101%	106%	127%	138%
March 27, 2014	100	100	100	100

(8) March 27, 2016 was a Sunday. Most recent trade date prior to the 27th was used instead.

**Discounted Dividend Analysis of Scottsdale with Cost Savings**

Ambassador performed a discounted dividend analysis including cost savings to estimate a range for the implied equity value of Scottsdale common stock to an acquirer. In this analysis, Ambassador assumed discount rates of 10%, 12% and 14% and calculated terminal values of 90% and 110% estimated tangible book value at the end of seven years. Ambassador used financial projections and forecasts for Scottsdale provided to Ambassador by the management of Scottsdale and projected cost savings anticipated by the management of Mid Penn to be realized from the merger. This analysis indicated an implied present value reference range of Scottsdale common stock of \$441 per share to \$675 per share, which are 11.1X and 17.0X, respectively, of Scottdale's 2016 adjusted earnings per share and 49% and 75%, respectively, of Scottdale's tangible book value as of December 31, 2016.

**Comparable Transactions Analysis of Scottsdale**

Ambassador performed a comparable transaction analysis by reviewing the following information for purposes of comparison with selected implied transaction ratios for the merger:

Publicly available acquisition metrics of 415 selected transactions in the United States that were announced from January 1, 2014 through March 27, 2017 with announced deal values in excess of \$10 million, excluding mergers of equals ( Nationwide M&A Pricing ).

Publicly available acquisition metrics of 13 selected transactions in which the selling bank was based in Pennsylvania that were announced from January 1, 2012 through March 27, 2017 with seller assets between \$100 million to \$400 million ( Pennsylvania Transactions ).

Publicly available acquisition metrics of 9 selected transactions in the United States that were announced from January 1, 2012 through March 27, 2017 with announced deal values in excess of \$10 million, seller's tangible equity to tangible assets over 12.0% and seller's loans to assets under 40.0% ( Nationwide Comparable Transactions ).

- (9) Adjusted to exclude a one-time loss on sale of bank owned property and a one-time reversal of provision and inclusive of a 30% cost savings assumption as anticipated by Mid Penn's management team. A marginal tax rate of 34% was assumed when making these adjustments.



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The results of the analysis for Nationwide M&A Pricing are set forth in the following table:

**Nationwide M&A Pricing<sup>10</sup>**

Year	Number of Deals	Median Price/ Last 12 Months Earnings	Median Price/ Tangible Common Book (%)
<b><u>Highest 3<sup>rd</sup> by Announced Price-to-Tangible Book</u></b>			
2017 <sup>11</sup>	9	26.1X	224%
2016	38	20.3	179
2015	47	23.7	181
2014	45	18.6	194
<b><u>Middle 3<sup>rd</sup> by Announced Price-to-Tangible Book</u></b>			
2017 <sup>11</sup>	9	19.9X	162%
2016	39	20.0	141
2015	46	22.8	143
2014	44	24.1	144
<b><u>Lowest 3<sup>rd</sup> by Announced Price-to-Tangible Book</u></b>			
2017 <sup>11</sup>	9	21.2X	126%
2016	39	18.2	116
2015	46	23.4	118
2014	44	24.2	110
Mid Penn / Scottdale		NM	130%

(10) Median pricing data of the selected transactions in the sub-group indicated are shown.

(11) Through March 27, 2017.

Source: S&P Global Market Intelligence.

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The results of the analysis for the Pennsylvania Transactions are set forth in the following table with primary focus on the median values:

**Pennsylvania Transactions**

Acquirer/Seller	Deal Value (in mill.)	Deal Value/ Last 12 Months Earnings	Deal Value/ Common Tangible Book
Univest Corporation of Pennsylvania / Valley Green Bank	\$ 78	15.3X	234%
Penns Woods Bancorp, Inc. / Luzerne National Bank Corporation	45	20.3	165
DNB Financial Corporation / East River Bank	49	22.1	161
NexTier Incorporated / Eureka Financial Corporation	35	22.7	151
Citizens Financial Services, Inc. / First National Bank of Fredericksburg	22	NM	144
S&T Bancorp, Inc. / Gateway Bank of Pennsylvania	22	34.2	140
ESSA Bancorp, Inc. / Eagle National Bancorp, Inc.	25	NM	112
Mid Penn Bancorp, Inc. / Phoenix Bancorp, Inc.	15	26.6	110
CB Financial Services, Inc. / FedFirst Financial Corporation	55	23.8	109
First Priority Financial Corp. / Affinity Bancorp, Inc.	13	NM	105
Prudential Bancorp, Inc. / Polonia Bancorp, Inc.	38	NM	101
Riverview Financial Corporation / Union Bancorp, Inc.	12	NM	94
ESSA Bancorp, Inc. / Franklin Security Bancorp, Inc.	16	30.5	87
Median	\$ 25	23.3X	112%
Mid Penn / Scottsdale	\$ 59	NM	130%

Source: S&P Global Market Intelligence.

The results of the analysis for the Nationwide Comparable Transactions are set forth in the following table with primary focus on the median values:

**Nationwide Comparable Transactions**

Acquirer/Seller	Deal Value (in mill.)	Deal Value/ Last 12 Months	Deal Value/ Common Tangible
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		Earnings	Book
Adams Community Bank/ Lenox National Bank	\$ 14	NM	171%
Cascade Bancorp/ Home Federal Bancorp, Inc.	266	NM	158
ESB Bancorp MHC/ Citizens National Bancorp, Inc.	51	20.2X	126
Pacific Premier Bancorp, Inc./ First Associations Bank	54	17.7	118
Pontiac Bancorp, Inc./ Bluestem Financial Corp.	16	29.8	113
Bay Bancorp, Inc./ Hopkins Bancorp, Inc.	23	NM	107
S.Y. Bancorp, Inc./ Bancorp, Inc.	20	34.1	106
First Capital, Inc./ Peoples Bancorp Inc. of Bullitt County	30	17.1	103
Bank of the Ozarks, Inc./ Genala Banc, Inc.	27	16.7	95
Median		19.0X	113%
Mid Penn / Scottdale	\$ 59	NM	130%

**Table of Contents****Comparable Institutions Analysis of Mid Penn**

Ambassador performed a comparable institutions analysis by comparing the financial and stock performance of Mid Penn with those of the following ten selected publicly traded institutions that were headquartered in Pennsylvania, were not mutual institutions, thrifts or merger or acquisition targets, and had assets between \$750 million and \$1.75 billion, average one-year daily trading volume greater than 500, nonperforming assets to assets ratios less than 2%, and returns on average equity greater than 8%:

**Overview of Mid Penn and Comparable Institutions**

Institution	Assets <sup>12</sup> In Millions	City, State	Ticker	Exchange
ACNB Corporation	\$ 1,206	Gettysburg, PA	ACNB	NASDAQ
Citizens & Northern Corporation	1,242	Wellsboro, PA	CZNC	NASDAQ
Citizens Financial Services, Inc.	1,223	Mansfield, PA	CZFS	OTC Pink
Codorus Valley Bancorp, Inc.	1,612	York, PA	CVLY	NASDAQ
DNB Financial Corporation	1,071	Downingtown, PA	DNBF	NASDAQ
Embassy Bancorp, Inc.	889	Bethlehem, PA	EMYB	OTCQX
Fidelity D & D Bancorp, Inc.	793	Dunmore, PA	FDDB	OTC Pink
First Keystone Corporation	984	Berwick, PA	FKYS	OTC Pink
Penns Woods Bancorp, Inc.	1,349	Williamsport, PA	PWOD	NASDAQ
QNB Corp.	1,063	Quakertown, PA	QNBC	OTC Pink

(12) Financial data as of December 31, 2016, or if unavailable, September 30, 2016.

Source: S&P Global Market Intelligence.

Ambassador compared the financial performance of Mid Penn and the selected institutions as indicated in the following table:

**Financial Performance of Mid Penn and Comparable Institutions<sup>13</sup>**

	Assets In Millions	Tangible Equity/ Tang. Assets	Tangible Comm. Eq./ Tang. Assets	NPAs/ Assets	Return on Average Assets	Return on Average Equity <sup>14</sup>
High	\$ 1,612	14.15%	14.15%	1.58%	1.28%	10.24%
75 <sup>th</sup> Percentile	1,269	9.66	9.66	1.39	1.03	9.90
Median	1,139	9.18	9.18	1.33	.93	9.31
25 <sup>th</sup> Percentile	961	8.35	8.35	.93	.86	8.45
Low	793	7.51	7.51	.59	.59	8.23
Mid Penn	\$ 1,033	6.43%	6.43%	.56%	.78%	10.71%

(13) Financial data is as of December 31, 2016, or the twelve months ended December 31, 2016, or if unavailable, September 30 2016, or the twelve months ended September 30, 2016.

(14) For DNB, since its 2016 earnings include one-time merger related expenses, the fourth quarter 2016 annualized return on average equity of 9.86% was used.

Source: S&P Global Market Intelligence.

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Ambassador then compared the stock performance of Mid Penn and the selected institutions as indicated in the following table:

**Stock Performance of Mid Penn and Comparable Institutions<sup>15</sup>**

	Earnings per Share		Stock Price/ Tang. Book Per Share	Assets Per Share	Dividend Yield	Shares Traded Daily
	LTM	MRQ				
High	21.8X	17.5X	181%	22.4%	4.52%	24,450
75th Percentile	17.0	16.5	172	14.8	4.26	13,888
Median	15.6	14.3	158	14.0	3.09	3,672
25th Percentile	14.3	13.4	142	12.8	1.79	832
Low	13.4	12.7	128	11.7	0.83	616
Mid Penn	14.8X	13.9X	175%	11.2%	1.90%	2,459

(15) Financial data as of December 31, 2016, or for the applicable period ended December 31, 2016, or if unavailable, September 30, 2016, or the applicable period ended September 30, 2016. Market data is as of March 27, 2017. Source: S&P Global Market Intelligence.

Ambassador also reviewed the historical stock price performance of Mid Penn relative to the selected institutions and selected stock indices, as indicated in the following tables:

**Mid Penn Historical Stock Performance****Relative to Comparable Institutions and Selected Indices****One-Year Stock Performance**

Date	Mid Penn (MPB)	Comparable Institutions	S&P 500	NASDAQ Bank Index
March 27, 2017	183%	116%	115%	136%
March 24, 2016 <sup>16</sup>	100	100	100	100

**Three-Year Stock Performance**

Date	Mid Penn (MPB)	Comparable Institutions	S&P 500	NASDAQ Bank Index
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March 27, 2017	188%	107%	127%	138%
March 27, 2014	100	100	100	100

(16) March 27, 2016 was a Sunday. Most recent trade date prior to the 27<sup>th</sup> was used instead.

*Discounted Dividend Analysis of Mid Penn*

Ambassador performed a discounted dividend analysis to estimate a range for the implied equity value of Mid Penn common stock. In this analysis, Ambassador assumed discount rates of 10%, 12% and 14% and calculated terminal values of 14X and 16X estimated earnings per share at the end of seven years. Ambassador used financial projections and forecasts for Mid Penn provided to Ambassador by the management of Mid Penn. This analysis indicated an implied present value range of Mid Penn common stock of \$20.24 per share to \$28.81 per share, which are 11.0X and 15.6X, respectively, of Mid Penn's 2016 earnings per share and 130% and 184%, respectively, of Mid Penn's tangible book value per share as of December 31, 2016.

**Table of Contents****Contribution Analysis**

Ambassador analyzed the relative contribution of Mid Penn and Scottdale to various pro forma balance sheet items and net income of the combined entity. This analysis excludes the impact of purchase accounting marks and one-time merger costs. The results of Ambassador's analysis are set forth in the following table:

**Mid Penn and Scottdale****Contribution Analysis<sup>17</sup>**

	Percentage Contribution	
	Mid Penn	Scottdale
<b>Balance Sheet</b>		
Assets	79.7%	20.3%
Gross loans held for investment	92.8	7.2
Deposits	81.2	18.8
Tangible common equity	59.2	40.8
<b>Income statement</b>		
Net income <sup>18</sup>	89.3%	10.7%
<b>Pro Forma Ownership<sup>19</sup></b>		
Assuming 90% stock consideration	68.5%	31.5%
Assuming 100% stock consideration	66.1	33.9

(17) Absent accounting marks. Balance sheet data is as of December 31, 2016. Income statement data is for the twelve months ended December 31, 2016.

(18) Earnings are based on 2016 full year earnings adjusted to remove the one-time loss on sale of bank owned property and a one-time negative provision expense, using a 34% effective tax rate.

(19) Shares to be issued in merger based on Mid Penn's closing stock price on March 27, 2017.

**Financial Impact Analysis on Mid Penn**

Ambassador also conducted a financial impact analysis assuming that the merger will close at the end of the third quarter of 2017. Ambassador used historical financial data as of December 31, 2016, or for the twelve months ended December 31, 2016, estimated standalone earnings for Mid Penn and Scottdale, as provided by Mid Penn, and projected cost savings anticipated by the management of Mid Penn to be realized from the merger. Ambassador also incorporated other pro forma assumptions as provided by Mid Penn. The analysis indicated that the merger could be accretive to tangible book value per share as of September 30, 2017 and could be dilutive to earnings per share for the nine months ended September 30, 2017, annualized. Furthermore, Ambassador's analysis indicated that, pro forma for the merger, Mid Penn's tangible equity to tangible assets ratio as of September 30, 2017 could be higher. All of the results of Ambassador's financial impact analysis may vary materially from the actual results achieved by Mid Penn.

**Other Disclosures**

Ambassador, as part of its financial advisory business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions and valuations for corporate and other purposes. Scottdale selected Ambassador to act as a financial advisor and to provide a fairness opinion based on Ambassador's experience,



including in connection with mergers and acquisitions of commercial banks and bank holding companies.

Scottsdale has agreed to pay Ambassador a fee for its services totaling approximately \$640,000, a portion of which fee became payable upon presentation of Ambassador's opinion and approximately \$510,000 of Ambassador's fee is contingent upon the closing of the merger. In addition, portions of Ambassador's fee became payable upon the signing of Ambassador's engagement agreement, upon approval by Scottsdale of a

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confidential information memorandum, upon the execution of an exclusivity agreement between Scottsdale and Mid Penn, and a portion of Ambassador's fee is payable upon the mailing of Scottsdale's proxy statement to its shareholders regarding the merger. Scottsdale has also agreed to reimburse Ambassador's out-of-pocket expenses incurred in connection with its engagement and to indemnify Ambassador against certain liabilities arising out of the performance of its obligations under the engagement letter.

Over the two years preceding the date of Ambassador's opinion, Ambassador did not provide investment banking or other consulting services to Scottsdale or Mid Penn for which Ambassador received compensation from Scottsdale or Mid Penn. In the future, Ambassador may pursue the opportunities to provide investment banking and other consulting services to Scottsdale and Mid Penn, but none have been discussed or contemplated.

Ambassador is an approved broker-dealer for Mid Penn Bank and periodically purchases securities from, and sells securities to, Mid Penn Bank.

Ambassador's fairness committee approved the issuance of its opinion letter dated March 29, 2017.

### ***Mid Penn's Reasons for the Merger***

The board of directors and senior management of Mid Penn periodically review and evaluate the economic and regulatory environments in which Mid Penn and its affiliated companies operate. Part of this review in recent years has included an acknowledgement of the effects of additional oversight and regulation on revenues, expenses and capital requirements for financial institutions, particularly community banks, as a result of the passage in 2010 of the Dodd-Frank Act and other factors, and consideration of competitive factors. The board of directors and senior management generally believe that greater size and scale can help a community-oriented financial institution address the costs of anticipated additional regulation as well as provide additional revenue opportunities and provide a platform to compete more effectively with larger financial institutions. In light of these observations, Mid Penn has elected to pursue a controlled growth strategy, which may include both organic growth and the targeted acquisition of other financial institutions with strong performance characteristics in Mid Penn's market area or in contiguous market areas.

Mid Penn entered into the merger agreement to further implement this strategy, as well as to provide additional opportunities for revenue growth. Mid Penn's board of directors reviewed and discussed the transaction with senior management, as well as its financial and legal advisors, in unanimously determining that the merger was advisable and in the best interests of Mid Penn. In reaching its determination, the Mid Penn board of directors considered a number of factors, including:

the board's understanding of the business operations, management, financial condition, asset quality, product offerings, and prospects of Scottsdale based on, among other things, presentations by management and Mid Penn's financial advisor;

the board's concurrence with management that the merger provides Mid Penn with increased scale and stronger market concentration in markets that Mid Penn believes will be receptive to its services, strengthens Mid Penn's retail banking network, and provides a broader platform to sell non-banking services;

the board's view that Scottdale's product offerings and business mix are compatible with those of Mid Penn and provide Mid Penn with opportunities to accelerate loan growth and to build upon the market share of secondary market loan generations, as well as opportunities to expand Mid Penn's insurance, wealth management, and mortgage banking activities;

the results of the due diligence examination of Scottdale and its business operations, including asset quality and composition of its investment portfolio, undertaken by management with the assistance of Mid Penn's financial advisor;

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the board's assessment of the compatibility of the respective employee and business cultures of Mid Penn and Scottdale;

the board's view that the combined company will have the potential for a stronger competitive position in a market place where relatively greater size and scale may become increasingly more important factors for financial performance and success;

the board's view that the combined company will increase shareholder value and enhance shareholder returns;

the financial information and analyses presented by Mid Penn's financial advisor, Sandler, and the opinion of Sandler delivered to Mid Penn's board of directors to the effect that, as of March 29, 2017, and based on and subject to the various factors, limitations, considerations, qualifications and assumptions set forth in the opinion, the merger consideration was fair, from a financial point of view, to Mid Penn; and

the review by the board of directors with, Stevens & Lee, its legal advisor, of the structure of the merger and the financial and other terms of the merger agreement.

The foregoing discussion of the information and factors considered by Mid Penn's board of directors is not exhaustive, but includes the material factors considered by the board. In view of the wide variety of factors considered by the board of directors of Mid Penn in connection with its evaluation of the merger and the complexity of these matters, the board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Mid Penn's board of directors evaluated the factors described above, including asking questions of Mid Penn's legal and financial advisors. In considering the factors described above, individual members of Mid Penn's board of directors may have given different weights to different factors. The board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger agreement and on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. It should also be noted that this explanation of the reasoning of Mid Penn's board of directors and certain other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading *Cautionary Statement Regarding Forward-Looking Statements* on page 40.

### *Recommendation of Mid Penn's Board of Directors*

Mid Penn's board of directors believes that the terms of the transaction are in the best interests of Mid Penn and its shareholders and has unanimously approved the merger agreement. **Accordingly, Mid Penn's board of directors unanimously recommends that Mid Penn shareholders vote FOR adoption of the merger agreement and FOR an adjournment of the Mid Penn special meeting, if necessary to solicit additional proxies.**

### *Opinion of Mid Penn's Financial Advisor*

By letter dated March 13, 2017, Mid Penn retained Sandler O'Neill to render a fairness opinion to the Mid Penn board of directors in connection with Mid Penn's consideration of a possible business combination with Scottdale. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of

financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill rendered a fairness opinion in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement. At the March 29, 2017 meeting at which Mid Penn's board of directors considered and approved the merger agreement, Sandler O'Neill delivered to the Mid Penn board of directors its oral opinion, which was subsequently confirmed in writing, to the effect that, as of such date, the merger consideration provided for in the merger agreement was fair to Mid Penn from a financial point of view.

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**The full text of Sandler O'Neill's opinion is attached as Annex C to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Mid Penn common stockholders are urged to read the entire opinion carefully in connection with their consideration of the Mid Penn merger proposal.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to Mid Penn's board of directors in connection with its consideration of the merger and is directed only to the fairness, from a financial point of view, of the merger consideration to Mid Penn. Sandler O'Neill's opinion does not constitute a recommendation to any Mid Penn stockholder as to how such Mid Penn stockholder should vote at any meeting of stockholders called to consider and vote upon the Mid Penn merger proposal. It does not address the underlying business decision of Mid Penn to engage in the merger, the form or structure of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Mid Penn or the effect of any other transaction in which Mid Penn might engage. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any Mid Penn or Scottdale officers, directors, or employees, or class of such persons, if any, relative to the compensation to be received in the merger by any other stockholders. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.**

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

a draft of the merger agreement, dated March 27, 2017;

certain publicly available financial statements and other historical financial information of Mid Penn and Mid Penn Bank that Sandler O'Neill deemed relevant;

certain publicly available financial statements and other historical financial information of Scottdale that Sandler O'Neill deemed relevant;

internal financial projections for Mid Penn for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn;

financial projections for Scottdale for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn;

the pro forma financial impact of the Merger on Mid Penn based on certain assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and certain balance sheet restructuring transactions, as provided by the senior management of Mid Penn;

the publicly reported historical price and trading activity for Mid Penn common stock, including a comparison of certain stock market information for Mid Penn common stock and certain stock indices, as well as similar publicly available information for certain other similar companies, the securities of which are publicly traded;

a comparison of certain financial information for Mid Penn and Scottdale with similar institutions for which information is publicly available;

the financial terms of certain recent business combinations in the bank and thrift industry (on a regional and nationwide basis), to the extent publicly available;

the current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of the senior management of Mid Penn the business, financial condition, results of operations and prospects of Mid Penn and held similar discussions with certain members of the senior management of Scottdale regarding the business, financial condition, results of operations and prospects of Scottdale.

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In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by Mid Penn or Scottdale, or their respective representatives, or that was otherwise reviewed by Sandler O'Neill and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill further relied on the assurances of the respective managements of Mid Penn and Scottdale that they were not aware of any facts or circumstances that would have made any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and Sandler O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Mid Penn or Scottdale, or any of their respective subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of Mid Penn or Scottdale, or any of their respective subsidiaries. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Mid Penn or Scottdale, or the combined entity after the merger, and Sandler O'Neill did not review any individual credit files relating to Mid Penn or Scottdale. Sandler O'Neill assumed, with Mid Penn's consent, that the respective allowances for loan losses for both Mid Penn and Scottdale were adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections for Mid Penn for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn, as well as financial projections for Scottdale for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and certain balance sheet restructuring transactions, as provided by the senior management of Mid Penn. With respect to the foregoing information, the senior management of Mid Penn confirmed to Sandler O'Neill that such information reflected the best currently available projections, estimates and judgments of the senior management of Mid Penn and Sandler O'Neill assumed that the financial results reflected in such information would be achieved. Sandler O'Neill expressed no opinion as to such projections, estimates or judgments, or the assumptions on which they were based. Sandler O'Neill also assumed that there had been no material change in Mid Penn's or Scottdale's (or any of their respective subsidiaries') assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to it. Sandler O'Neill assumed in all respects material to its analysis that Mid Penn and Scottdale would remain as going concerns for all periods relevant to its analyses.

Sandler O'Neill also assumed, with Mid Penn's consent, that (i) each of the parties to the merger agreement would comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements would perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Mid Penn, Scottdale or the merger or any related transaction, (iii) the merger and any related transactions would be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the merger would qualify as a tax-free reorganization for federal income tax purposes. Finally, with Mid Penn's consent, Sandler O'Neill relied upon the advice that Mid Penn received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.





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Sandler O'Neill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date thereof. Events occurring after the date thereof could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date thereof. Sandler O'Neill expressed no opinion as to the trading values of Mid Penn common stock or Scottsdale common stock at any time or what the value of Mid Penn common stock would be once it was actually received by the holders of Scottsdale common stock.

In performing its analyses, Sandler O'Neill made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which were beyond the control of Sandler O'Neill, Mid Penn and Scottsdale. Any estimates contained in the analyses performed by Sandler O'Neill were not necessarily indicative of actual values or future results, which could be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the values of businesses or securities did not purport to be appraisals or to reflect the prices at which such businesses or securities could actually be sold. Accordingly, these analyses and estimates were inherently subject to substantial uncertainty. In addition, Sandler O'Neill's opinion was among several factors taken into consideration by the Mid Penn board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Mid Penn board of directors with respect to the fairness of the merger or the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Mid Penn and Scottsdale and the decision to enter into the merger agreement was solely that of the Mid Penn board of directors.

The following is a summary of the material financial analyses presented by Sandler O'Neill to the Mid Penn board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by Sandler O'Neill to the Mid Penn board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text.** The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Sandler O'Neill believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

***Summary of Proposed Merger Consideration and Implied Transaction Metrics***

Sandler O'Neill reviewed the financial terms of the proposed merger. Subject to the provisions of the merger agreement, at the Effective Time, each share of Scottsdale common stock, except for certain shares as defined in the merger agreement, issued and outstanding immediately prior to the Effective Time shall be converted at the election of the holder thereof into: (a) \$1,166.00 in cash; or (b) a certain number of shares of Mid Penn common stock, par value \$1.00 per share, equal to the Exchange Ratio. Based upon Mid Penn's March 24, 2017 closing stock price of \$26.35, an implied exchange ratio of 44.25x, and 50,718 shares of Scottsdale common stock outstanding, Sandler O'Neill calculated an implied transaction value per share of \$1,166 and an aggregate implied transaction value of approximately \$59.1 million.



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Sandler O'Neill calculated the following implied transaction metrics:

Transaction Price / Last Twelve Months ( LTM ) Ended December 31, 2016 Earnings Per Share	NM
Transaction Price /Scottdale December 31, 2016 Tangible Book Value Per Share	130%
Transaction Price / Scottdale December 31, 2016 Adjusted Tangible Book Value Per Share <sup>1</sup>	125%
Transaction Price / Scottdale December 31, 2016 Normalized Tangible Book Value Per Share <sup>2</sup>	158%
Tangible Book Premium / Core Deposits <sup>3</sup>	6.4%
Adjusted Tangible Book Premium / Core Deposits <sup>3</sup>	5.5%

- (1) Adjusted tangible equity assumes a \$1.9 million, or \$37.02 per share, reversal of the valuation allowance against the deferred tax asset
- (2) Normalized tangible book value multiple assumes reduction in purchase price by capital in excess of 9% of tangible assets
- (3) Core deposits equal to total deposits less jumbo CDs (greater than \$100,000)

**Stock Trading History**

Sandler O'Neill reviewed the historical publicly reported trading prices of Mid Penn stock common stock for the one-year period ended March 24, 2017 and for the three-year period ended March 24, 2017. Sandler O'Neill then compared the relationship between the movements in the price of Mid Penn common stock to movements in its peer group (as described below) as well as certain stock indices.

**Mid Penn's One-Year Stock Performance**

	Beginning Value March 24, 2016	Ending Value March 24, 2017
Mid Penn	100%	176.8%
Mid Penn Peer Group	100%	138.9%
NASDAQ Bank Index	100%	136.7%
S&P 500 Index	100%	115.1%

**Mid Penn's Three-Year Stock Performance**

	Beginning Value March 24, 2014	Ending Value March 24, 2017
Mid Penn	100%	181.8%
Mid Penn Peer Group	100%	134.1%

NASDAQ Bank Index	100%	134.8%
S&P 500 Index	100%	126.2%

***Mid Penn Comparable Company Analysis***

Using publicly available information, Sandler O'Neill compared selected financial information for Mid Penn with a group of financial institutions selected by Sandler O'Neill. The Mid Penn peer group consisted of banks and thrifts headquartered in Pennsylvania with total assets between \$750 million and \$3 billion, whose securities

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are publicly traded on the NYSE or NASDAQ Stock Market (the Mid Penn Peer Group). The Mid Penn Peer Group included the following companies:

ACNB Corporation	ESSA Bancorp, Inc.
AmeriServ Financial, Inc.	Malvern Bancorp, Inc.
CB Financial Services, Inc.	Norwood Financial Corp.
Citizens & Northern Corporation	Orrstown Financial Services, Inc.
CNB Financial Corporation	Penns Woods Bancorp, Inc.
Codorus Valley Bancorp, Inc.	Peoples Financial Services Corp.
DNB Financial Corporation	Republic First Bancorp, Inc.

The analysis compared publicly available financial information for Mid Penn with the corresponding data for the Mid Penn Peer Group as of or for the twelve months ended December 31, 2016, with pricing data as of March 24, 2017. The table below sets forth the data for Mid Penn and the median, mean, high and low data for the Mid Penn Peer Group:

	Mid Penn	Mid Penn Peer Group Median	Mid Penn Peer Group Mean	Mid Penn Peer Group High	Mid Penn Peer Group Low
Total Assets (\$ in millions)	1,033	1,295	1,440	2,574	846
Loans / Deposits (%)	87.0	93.3	89.9	103.4	57.5
Non-Performing Assets <sup>1</sup> / Total assets (%)	0.56	0.95	0.94	1.80	0.14
Tangible Common Equity/Tangible Assets (%)	6.43	9.44	9.44	14.15	6.72
Tier 1 Leverage Ratio	6.80	9.75	10.15	14.27	7.85
Total RBC Ratio	11.00	14.09	15.08	23.60	12.48
CRE / Total RBC Ratio (%)	328.3	197.2	202.9	337.4	76.8
LTM Return on Average Assets (%)	0.78	0.87	0.79	1.49	0.20
LTM Return on Average Equity (%)	10.71	8.00	7.36	13.33	2.30
LTM Net Interest Margin (%)	3.82	3.44	3.40	3.89	2.63
LTM Efficiency Ratio (%)	68.1	65.1	69.1	85.9	58.0
Price/Tangible Book Value (%)	169	155	155	215	84
Price/LTM Earnings Per Share (x)	14.2	17.1	19.0	31.0	11.7
Current Dividend Yield (%)	2.0	2.6	2.3	4.6	0.0
LTM Dividend Ratio (%)	36.8	45.5	42.4	80.0	0.0
Market Value (\$ in millions)	112	174	212	452	70

Note: Regulatory data as of December 31, 2016 used if SEC data not available

(1) Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases and real estate owned

**Table of Contents****Scottdale Comparable Company Analysis**

Using publicly available information, Sandler O'Neill compared selected financial information for Scottdale with a group of financial institutions selected by Sandler O'Neill (the Scottdale Peer Group). The Scottdale Peer Group consisted of banks and thrifts headquartered in Pennsylvania with total assets between \$125 million and \$400 million whose securities are publicly traded. The Scottdale Peer Group included the following companies:

Apollo Bancorp, Inc.	Mauch Chunk Trust Financial Corp.
Bucks County Bank	Mercersburg Financial Corporation
Clarion County Community Bank	MNB Corporation
Commercial National Financial Corporation	Muncy Bank Financial, Inc.
Community Bankers Corporation	Neffs Bancorp, Inc.
Enterprise Financial Services Group, Inc	Peoples Limited
First Resource Bank	Quaint Oak Bancorp, Inc.
Fleetwood Bank Corporation	Susquehanna Community Financial, Inc.
GNB Financial Services, Inc.	Turbotville National Bancorp, Inc.
HV Bancorp, Inc.	UNB Corporation
JTNB Bancorp, Inc.	Woodlands Financial Services Company
Landmark Bancorp, Inc.	WVS Financial Corp.
Mars National Bancorp, Inc.	York Traditions Bank

The analysis compared publicly available financial information for Scottdale with the corresponding data for the Scottdale Peer Group as of or for the twelve months ended December 31, 2016, with pricing data as of March 24, 2017. The table below sets forth the data for Scottdale and the median, mean, high and low data for the Scottdale Peer Group:

	Scottdale	Scottdale Peer Group Median	Scottdale Peer Group Mean	Scottdale Peer Group High	Scottdale Peer Group Low
Total Assets (\$ in millions)	263	295	282	397	133
Loans / Deposits (%)	29.3	76.5	78.2	122.9	44.8
Non-Performing Assets <sup>1</sup> / Total assets (%)	0.31	0.80	1.09	7.11	0.00
Tangible Common Equity/Tangible Assets <sup>3</sup> (%)	17.28	9.26	9.94	17.45	5.41
Tier 1 Leverage Ratio	16.58	9.41	10.10	18.39	6.60
Total RBC Ratio	31.34	14.50	16.85	35.84	11.51
CRE / Total RBC Ratio (%)	4.0	87.6	127.3	435.4	7.5
LTM Return on Average Assets (%)	0.21	0.67	0.72	1.41	0.19
LTM Return on Average Equity (%)	1.23	7.46	6.93	10.99	1.84
LTM Net Interest Margin (%)	2.40	3.36	3.32	4.54	1.69
LTM Efficiency Ratio (%)	82.5	75.5	73.2	97.0	43.3
Price/Tangible Book Value (%)	51	98	110	236	64
Price/LTM Earnings Per Share (x)	42.4	14.7	15.9	34.3	11.5
Current Dividend Yield (%)	NA	2.4	2.4	5.0	0.0
LTM Dividend Ratio (%)	NA	33.2	34.6	73.8	0.0

Market Value (\$ in millions)	23	27	30	73	8
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Note: Regulatory data as of December 31, 2016 used if SEC data not available

(1) Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases and real estate owned



**Table of Contents*****Selected Transactions Analysis***

Sandler O'Neill reviewed two groups of recent merger and acquisition transactions consisting of a national group as well as a regional group. The national group consisted of nationwide bank and thrift transactions with announced deal values, target total assets between \$100 million and \$500 million, target tangible common equity to tangible assets greater than 12%, announced between January 1, 2016 and March 24, 2017 (the Nationwide Precedent Transactions). The regional group consisted of bank and thrift transactions with targets headquartered in Pennsylvania, New York, Ohio, West Virginia or Maryland, with target total assets between \$100 million and \$500 million announced between January 1, 2016 and March 24, 2017 (the Regional Precedent Transactions).

The Nationwide Precedent Transactions group was composed of the following transactions:

**Acquiror:**

United Bancshares Inc.  
 Investar Holding Corp.  
 Hope Bancorp, Inc.  
 T Acquisition Inc.  
 Equity Bancshares Inc.  
 Suncrest Bank  
 Monona Bankshares Inc.  
 Middlefield Banc Corp.  
 River Holding Co.  
 Citco Community Bancshares Inc.  
 OakStar Bancshares Inc.  
 Wintrust Financial Corp.  
 Pinnacle Financial Corp.  
 Byline Bancorp Inc.  
 Prudential Bancorp Inc.  
 Cascade Bancorp  
 Private Investor  
 NASB Financial Inc.  
 Wintrust Financial Corp.  
 Beneficial State Foundation

**Target:**

Benchmark Bancorp Inc.  
 Citizens Bancshares Inc.  
 U & I Financial Corp.  
 T Bancshares Inc.  
 Prairie State Bancshares Inc.  
 Security First Bank  
 MCB Bankshares Inc.  
 Liberty Bank NA  
 Sparta Union Bancshares Inc.  
 American Trust Bank of East TN  
 Bancshares of Urbana Inc.  
 First Community Financial Corp.  
 Independence Bank of Georgia  
 Ridgestone Financial Services Inc.  
 Polonia Bancorp, Inc.  
 Prime Pacific Financial Services  
 Eastern International Bank  
 Lexington B&L Financial Corp.  
 Generations Bancorp Inc.  
 Pan American Bank

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to tangible book value per share, and core deposit premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the median, mean, high and low metrics of the Nationwide Precedent Transactions group.

	Mid Penn/ Scottsdale	Median Nationwide Precedent Transactions	Mean Nationwide Precedent Transactions	High Nationwide Precedent Transactions	Low Nationwide Precedent Transactions
Price/ LTM Earnings Per Share (x)	NM	15.8	19.7	57.2	5.2
	130/125 <sup>1</sup>	128	129	181	99

Price/ Tangible Book Value Per  
Share (%)

Core Deposit Premium (%)	6.4 <sup>2</sup> /5.5 <sup>1,2</sup>	6.4	7.9	21.0	0.8
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- (1) Adjusted tangible equity assumes a \$1.9 million, or \$37.02 per share, reversal of the valuation allowance against the deferred tax asset
- (2) Core deposits equal to total deposits less jumbo CDs (greater than \$100,000)

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The Regional Precedent Transactions group was composed of the following transactions:

**Acquiror:**

United Bancshares Inc.  
 Kinderhook Bank Corp.  
 Old Line Bancshares Inc.  
 First Merchants Corp.  
 ACNB Corp.  
 United Community Financial Corp.  
 Standard Financial Corp.  
 First Defiance Financial  
 Middlefield Banc Corp.  
 Prudential Bancorp Inc.  
 Summit Financial Group Inc.  
 DNB Financial Corp.  
 Norwood Financial Corp.  
 Ohio Valley Banc Corp.

**Target:**

Benchmark Bancorp Inc.  
 Patriot Federal Bank  
 DCB Bancshares Inc.  
 Arlington Bank  
 New Windsor Bancorp Inc.  
 Ohio Legacy Corp  
 Allegheny Valley Bancorp Inc.  
 Commercial Bancshares Inc.  
 Liberty Bank NA  
 Polonia Bancorp, Inc.  
 First Century Bankshares Inc.  
 East River Bank  
 Delaware Bancshares Inc.  
 Milton Bancorp Inc.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to tangible book value per share, and core deposit premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the median, mean, high and low metrics of the Regional Precedent Transactions group.

	<b>Mid Penn/ Scottsdale</b>	<b>Median Regional Precedent Transactions</b>	<b>Mean Regional Precedent Transactions</b>	<b>High Regional Precedent Transactions</b>	<b>Low Regional Precedent Transactions</b>
Price/ LTM Earnings Per Share (x)	NM	19.1	20.3	37.2	5.2
Price/ Tangible Book Value Per Share (%)	130/125 <sup>1</sup>	141	145	216	101
Core Deposit Premium (%)	6.4 <sup>2</sup> /5.5 <sup>1,2</sup>	6.4	7.4	19.9	0.7

(1) Adjusted tangible equity assumes a \$1.9 million, or \$37.02 per share, reversal of the valuation allowance against the deferred tax asset

(2) Core deposits equal to total deposits less jumbo CDs (greater than \$100,000)

**Net Present Value Analyses**

Sandler O'Neill performed an analysis that estimated the net present value per share of Mid Penn's common stock, assuming Mid Penn performed in accordance with internal financial projections for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn. To approximate the terminal value of Mid Penn common stock at December 31, 2020, Sandler O'Neill applied price to 2020 earnings multiples ranging from 12.0x to 22.0x and multiples of December 31, 2020 tangible book value ranging from 110% to 210%. The terminal values were then discounted to present values using different discount rates ranging from 10.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective

buyers of Mid Penn common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Mid Penn common stock of \$19.99 to \$41.44 when applying multiples of earnings and \$15.78 to \$33.47 when applying multiples of tangible book value.

**Table of Contents****Earnings Per Share Multiples**

## Discount

Rate	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
10.0%	\$23.71	\$27.26	\$30.80	\$34.35	\$37.90	\$41.44
11.0%	\$22.90	\$26.32	\$29.74	\$33.16	\$36.58	\$40.00
12.0%	\$22.12	\$25.42	\$28.72	\$32.02	\$35.32	\$38.62
13.0%	\$21.38	\$24.56	\$27.75	\$30.93	\$34.12	\$37.30
14.0%	\$20.67	\$23.74	\$26.82	\$29.89	\$32.97	\$36.04
15.0%	\$19.99	\$22.96	\$25.92	\$28.89	\$31.86	\$34.83

**Tangible Book Value Multiples**

## Discount

Rate	110%	130%	150%	170%	190%	210%
10.0%	\$18.69	\$21.64	\$24.60	\$27.56	\$30.51	\$33.47
11.0%	\$18.05	\$20.91	\$23.76	\$26.61	\$29.46	\$32.31
12.0%	\$17.45	\$20.20	\$22.95	\$25.70	\$28.45	\$31.20
13.0%	\$16.87	\$19.52	\$22.18	\$24.83	\$27.49	\$30.14
14.0%	\$16.31	\$18.88	\$21.44	\$24.00	\$26.57	\$29.13
15.0%	\$15.78	\$18.26	\$20.73	\$23.21	\$25.68	\$28.16

Sandler O'Neill also considered and discussed with the Mid Penn board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming Mid Penn's net income varied from 20% above projections to 20% below projections. This analysis resulted in the following range of per share values for Mid Penn common stock, applying the price to 2020 earnings multiples range of 12.0x to 22.0x referred to above and a discount rate of 12.69%.

**Earnings Per Share Multiples**

## Annual

## Estimate

Variance	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
(20.0%)	\$17.74	\$20.32	\$22.89	\$25.47	\$28.05	\$30.62
(15.0%)	\$18.71	\$21.44	\$24.18	\$26.92	\$29.66	\$32.39
(10.0%)	\$19.67	\$22.57	\$25.47	\$28.37	\$31.27	\$34.16
(5.0%)	\$20.64	\$23.70	\$26.76	\$29.82	\$32.88	\$35.94
0.0%	\$21.61	\$24.83	\$28.05	\$31.27	\$34.49	\$37.71
5.0%	\$22.57	\$25.95	\$29.33	\$32.72	\$36.10	\$39.48

10.0%	\$23.54	\$27.08	\$30.62	\$34.16	\$37.71	\$41.25
15.0%	\$24.50	\$28.21	\$31.91	\$35.61	\$39.32	\$43.02
20.0%	\$25.47	\$29.33	\$33.20	\$37.06	\$40.93	\$44.79

Sandler O'Neill also performed two analyses that estimated the net present value per share of Scottsdale common stock under various circumstances. The first analysis assumed Scottsdale performed in accordance with financial projections for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn. ( Scottdale Stand Alone NPV Analysis ). Sandler O'Neill used the same assumptions as the Scottdale Stand Alone NPV Analysis for the second net present value analysis, but also included assumptions related to after-tax cost savings and certain balance sheet restructuring transactions, as provided by the senior management of Mid Penn ( Scottdale Adjusted NPV Analysis ).

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For both the Scottsdale Stand Alone NPV Analysis and Scottsdale Adjusted NPV Analysis, to approximate the terminal value of Scottsdale common stock at December 31, 2020, Sandler O'Neill applied price to 2020 earnings multiples ranging from 11.0x to 21.0x and multiples of December 31, 2020 tangible book value ranging from 80% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 11.0% to 21.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Scottsdale common stock. As illustrated in the following tables, the Scottsdale Stand Alone NPV Analysis indicated an imputed range of values per share of Scottsdale common stock of \$552.60 to \$695.06 when applying multiples of earnings and the Scottsdale Adjusted NPV Analysis indicated an imputed range of values per share of Scottsdale common stock of \$1,003.46 to \$1,686.73 when applying multiples of earnings. In addition, as illustrated in the following tables, the Scottsdale Stand Alone NPV Analysis indicated an imputed range of values per share of Scottsdale common stock of \$673.46 to \$1,054.29 when applying multiples of tangible book value and the Scottsdale Adjusted NPV Analysis indicated an imputed range of values per share of Scottsdale common stock of \$767.57 to \$1,298.25 when applying multiples of tangible book value.

**Earnings Per Share Multiples (Scottsdale Stand Alone NPV Analysis)**

## Discount

Rate	11.0x	13.0x	15.0x	17.0x	19.0x	21.0x
11.0%	\$572.61	\$597.10	\$621.59	\$646.08	\$670.57	\$695.06
12.0%	\$567.28	\$590.91	\$614.53	\$638.16	\$661.79	\$685.41
13.0%	\$562.17	\$584.97	\$607.78	\$630.58	\$653.38	\$676.18
14.0%	\$557.28	\$579.30	\$601.31	\$623.32	\$645.33	\$667.34
15.0%	\$552.60	\$573.85	\$595.11	\$616.37	\$637.62	\$658.88

**Earnings Per Share Multiples (Scottsdale Adjusted NPV Analysis)**

## Discount

Rate	11.0x	13.0x	15.0x	17.0x	19.0x	21.0x
11.0%	\$1,092.05	\$1,210.99	\$1,329.92	\$1,448.86	\$1,567.79	\$1,686.73
12.0%	\$1,068.42	\$1,183.16	\$1,297.90	\$1,412.65	\$1,527.39	\$1,642.13
13.0%	\$1,045.81	\$1,156.54	\$1,267.28	\$1,378.01	\$1,488.75	\$1,599.48
14.0%	\$1,024.17	\$1,131.07	\$1,237.97	\$1,344.87	\$1,451.77	\$1,558.67
15.0%	\$1,003.46	\$1,106.69	\$1,209.92	\$1,313.15	\$1,416.38	\$1,519.61

**Tangible Book Value Multiples (Scottsdale Stand Alone NPV Analysis)**

## Discount

Rate	80%	100%	120%	140%	160%	180%
11.0%	\$711.86	\$780.34	\$848.83	\$917.31	\$985.80	\$1,054.29
12.0%	\$701.62	\$767.69	\$833.76	\$899.84	\$965.91	\$1,031.98
13.0%	\$691.82	\$755.58	\$819.35	\$883.11	\$946.88	\$1,010.64

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14.0%	\$682.44	\$744.00	\$805.55	\$867.11	\$928.67	\$990.22
15.0%	\$673.46	\$732.90	\$792.35	\$851.79	\$911.23	\$970.67

**Tangible Book Value Multiples (Scottsdale Adjusted NPV Analysis)**

Discount

Rate	80%	100%	120%	140%	160%	180%
11.0%	\$820.29	\$915.88	\$1,011.47	\$1,107.07	\$1,202.66	\$1,298.25
12.0%	\$806.23	\$898.45	\$990.68	\$1,082.90	\$1,175.13	\$1,267.35
13.0%	\$792.77	\$881.78	\$970.78	\$1,059.78	\$1,148.79	\$1,237.79
14.0%	\$779.90	\$865.82	\$951.74	\$1,037.66	\$1,123.58	\$1,209.51
15.0%	\$767.57	\$850.54	\$933.51	\$1,016.49	\$1,099.46	\$1,182.43



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Sandler O'Neill also considered and discussed with the Mid Penn board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming Scottsdale's net income varied from 20% above projections to 20% below projections for both the Scottdale Stand Alone NPV Analysis and Scottdale Adjusted NPV Analysis. This analysis resulted in the following range of per share values for Scottdale common stock, applying the price to 2020 earnings multiples range of 11.0x to 21.0x referred to above and a discount rate of 12.69%.

**Earnings Per Share Multiples (Scottdale Stand Alone NPV Analysis)**

Annual Estimate						
Variance	11.0x	13.0x	15.0x	17.0x	19.0x	21.0x
(20.0%)	\$538.37	\$556.82	\$575.26	\$593.70	\$612.14	\$630.59
(15.0%)	\$544.71	\$564.31	\$583.90	\$603.50	\$623.10	\$642.69
(10.0%)	\$551.05	\$571.80	\$592.55	\$613.30	\$634.05	\$654.79
(5.0%)	\$557.39	\$579.29	\$601.19	\$623.10	\$645.00	\$666.90
0.0%	\$563.73	\$586.79	\$609.84	\$632.89	\$655.95	\$679.00
5.0%	\$570.07	\$594.28	\$618.48	\$642.69	\$666.90	\$691.10
10.0%	\$576.41	\$601.77	\$627.13	\$652.49	\$677.85	\$703.21
15.0%	\$582.75	\$609.26	\$635.78	\$662.29	\$688.80	\$715.31
20.0%	\$589.09	\$616.76	\$644.42	\$672.09	\$699.75	\$727.41

**Earnings Per Share Multiples (Scottdale Adjusted NPV Analysis)**

Annual Estimate						
Variance	11.0x	13.0x	15.0x	17.0x	19.0x	21.0x
(20.0%)	\$929.55	\$1,019.12	\$1,108.69	\$1,198.26	\$1,287.82	\$1,377.39
(15.0%)	\$960.34	\$1,055.51	\$1,150.67	\$1,245.84	\$1,341.00	\$1,436.17
(10.0%)	\$991.13	\$1,091.90	\$1,192.66	\$1,293.42	\$1,394.18	\$1,494.95
(5.0%)	\$1,021.92	\$1,128.28	\$1,234.64	\$1,341.00	\$1,447.36	\$1,553.73
0.0%	\$1,052.71	\$1,164.67	\$1,276.63	\$1,388.59	\$1,500.55	\$1,612.50
5.0%	\$1,083.50	\$1,201.06	\$1,318.61	\$1,436.17	\$1,553.73	\$1,671.28
10.0%	\$1,114.29	\$1,237.44	\$1,360.60	\$1,483.75	\$1,606.91	\$1,730.06
15.0%	\$1,145.08	\$1,273.83	\$1,402.58	\$1,531.33	\$1,660.09	\$1,788.84
20.0%	\$1,175.86	\$1,310.22	\$1,444.57	\$1,578.92	\$1,713.27	\$1,847.62

In connection with its analyses, Sandler O'Neill considered and discussed with the Mid Penn board of directors how the present value analyses would be affected by changes in the underlying assumptions. Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

***Pro Forma Merger Analysis***

Sandler O'Neill analyzed certain potential pro forma effects of the merger on Mid Penn assuming the merger closes at the end of the third calendar quarter of 2017. Sandler O'Neill utilized the following information and assumptions: (i) internal financial projections for Mid Penn for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn, (ii) financial projections for Scottdale for the years ending December 31, 2017 through December 31, 2020, as provided by the senior management of Mid Penn, and (iii) certain assumptions relating to transaction expenses, purchase accounting adjustments, cost

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savings and certain balance sheet restructuring transactions, as provided by the senior management of Mid Penn. The analysis indicated that the merger could be dilutive to Mid Penn's earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2018, December 31, 2019 and December 31, 2020, and accretive to Mid Penn's estimated tangible book value per share at close.

In connection with this analysis, Sandler O'Neill considered and discussed with the Mid Penn board of directors how the analysis would be affected by changes in the underlying assumptions and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

***Sandler O'Neill's Relationship***

Sandler O'Neill has acted as Mid Penn's financial advisor in connection with the merger and will receive a fee for its services in an amount equal to \$350,000, a significant portion of which is contingent upon the closing of the merger. Sandler O'Neill received a \$100,000 fee upon rendering its fairness opinion to the Mid Penn board of directors, which opinion fee will be credited in full towards the portion of the transaction fee which will become payable to Sandler O'Neill on the day of closing of the merger. Mid Penn has also agreed to indemnify Sandler O'Neill against certain claims and liabilities arising out of Sandler O'Neill's engagement and to reimburse Sandler O'Neill for certain of its out-of-pocket expenses incurred in connection with Sandler O'Neill's engagement.

Sandler O'Neill did not provide any other investment banking services to Mid Penn in the two years preceding the date of its opinion nor did Sandler O'Neill provide any investment banking services to Scottdale in the two years preceding the date of Sandler O'Neill's opinion. In the ordinary course of Sandler O'Neill's business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to Mid Penn, Scottdale and their respective affiliates. Sandler O'Neill may also actively trade the equity and debt securities of Mid Penn, Scottdale or their respective affiliates for its own account and for the accounts of its customers.

***Board of Directors and Management of Mid Penn Following Completion of the Merger***

Following completion of the merger, the then current directors and executive officers of Mid Penn will continue to operate in their existing capacity at that time. Additionally, Mid Penn will appoint Donald F. Kiefer, or a mutually agreed upon qualified replacement candidate, to serve on the Mid Penn and Mid Penn Bank boards of directors.

***Scottdale Shareholders Have Dissenters' Rights in the Merger***

Dissenters' rights are statutory rights that enable shareholders who object to extraordinary transactions, such as mergers, to demand that the corporation pay such shareholders the fair value of their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters' rights are not available in all circumstances and exceptions to those rights are set forth in the Pennsylvania Business Corporation Law (PBCL). The term "fair value" in this instance means the value of a share of Scottdale's common stock immediately before the day of the merger, taking into account all relevant factors, but excluding any appreciation or depreciation in anticipation of the merger.

Scottdale shareholders are entitled to dissenters' rights in connection with the merger.

Set forth below is a summary of the terms under the PBCL, describing the steps that must be taken in order to exercise dissenting shareholder rights. Any Scottdale shareholder considering exercising the shareholder's right to dissent from the proposed action and receive the fair value of his shares should read both this summary and the full text of the law, which is attached hereto as Annex D. Written notices or demands that are required concerning the exercise of

dissenters' rights should be sent to The Scottdale Bank & Trust Company, 150 Pittsburgh Street, Scottdale, Pennsylvania 15683, Attention: Corporate Secretary or at such other address as may be indicated in subsequent instructions related to the exercise of such rights.

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Any Scottsdale shareholder who wishes to dissent and exercise rights to an appraisal must:

file a written notice of intention to demand payment of the fair value of his or her shares (if the merger is completed), prior to the vote of shareholders on the merger at the special meeting;

make no change in the shareholder's beneficial ownership of stock from the date of the written notice through the day of the merger; and

not vote his or her stock for approval of the merger.

Voting in favor of the merger constitutes a waiver of dissenters' rights of appraisal. Further, neither a proxy marked against approval of the merger nor a vote at the special meeting against approval of the merger satisfies the necessary written notice of intention to dissent. A separate written notice must be filed with Scottsdale prior to the vote of shareholders on the merger, as described above.

If the merger is approved by the required vote of shareholders, Scottsdale will mail a notice to all dissenters who gave due notice of intention to demand payment of fair value and who did not vote for approval of the plan of merger. The notice will state where and when the dissenting shareholder must deliver a written demand for payment and where certificates for stock should be deposited in order to obtain payment. The notice will include a form for demanding payment and a copy of the law. The time set for receipt of the demand for payment and deposit of stock certificates will be not less than 30 days from the date of mailing of the notice.

Any dissenting Scottsdale shareholder who wishes to exercise appraisal rights must take each step in the indicated order and in strict compliance with the statute to preserve dissenters' rights. Any such shareholder who fails to follow the steps will lose his or her right to dissent and will, instead, receive the merger consideration.

Promptly after the merger, Mid Penn will send dissenters, who have timely filed the demand for payment and deposited their stock certificates, the amount that Mid Penn estimates to be the fair value of the stock. The remittance or notice will be accompanied by:

a closing balance sheet and statement of income of Scottsdale for a fiscal year ending not more than 16 months before the date of remittance or notice together with the latest available interim financial statements;

a statement of Mid Penn's estimate of the fair value of Scottsdale common stock; and

a notice of the right of the dissenter to demand supplemental payment, accompanied by a copy of the law.

If a dissenting shareholder believes that the amount stated or remitted by Mid Penn is less than the fair value of the stock, the dissenter may send an estimate of the fair value of the stock to Mid Penn. If Mid Penn remits payment of the estimated value of a dissenter's stock and the dissenter does not file his or her own estimate within 30 days after Mid Penn mailed its remittance, the dissenter will be entitled to no more than the amount remitted by Mid Penn.

If any demands for payment remain unsettled within 60 days after the latest to occur of: (1) the merger, (2) the timely receipt of any shareholder demands for payment, or (3) the timely receipt of any estimates by dissenters of the fair value, then, Mid Penn may file an application, in the Court of Common Pleas of Dauphin County, requesting that the court determine the fair value of the stock. If this happens, all dissenters, no matter where they reside, whose demands have not been settled, shall be made parties to the proceeding. In addition, a copy of the application will be delivered to each dissenter.

If Mid Penn fails to file the application, then any dissenter, on behalf of all dissenters who have made a demand and who have not settled their claim may file an application in the name of Scottdale at any time within the 30-day period after the expiration of the 60-day period and request that the Dauphin County Court determine the

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fair value of the shares. The fair value determined by the court may, but need not, equal the dissenters' estimates of fair value. If no dissenter files an application, then each dissenter entitled to do so shall be paid Mid Penn's estimate of the fair value of the common stock and no more, and may bring an action to recover any amount not previously remitted, plus interest at a rate the court finds fair and equitable.

The costs and expenses of any valuation proceedings in court, including the reasonable compensation and expenses of any appraiser appointed by the court to recommend a decision on the issue of fair value, will be determined by the court and assessed against Scottdale except that any part of the costs and expenses may be apportioned and assessed by the court against all or any of the dissenters who are parties and whose action in demanding supplemental payment the court finds to be arbitrary, vexatious or in bad faith. In addition, dissenting shareholders generally will be responsible for their own costs and expenses, including, without limitation, the fees and expenses of their own legal counsel and experts.

### ***Regulatory Approvals Required for the Merger***

The merger is subject to the approval of the PDB under the Pennsylvania Banking Code (the "Banking Code") and the FDIC under the federal Bank Merger Act. The merger is subject to the approval of the FRB under the Bank Holding Company Act of 1956, as amended (the "BHC Act").

Lawrence Keister & Company must submit an application to the FRB for its acquisition of more than 10% of the outstanding shares of Mid Penn common stock pursuant to the merger under the BHC Act. The FRB will consider a number of factors. Applicable regulations require publication of notice of the application and an opportunity for the public to comment on the application in writing and to request a hearing.

In reviewing an application for approval of a merger, the PDB and the FDIC will consider, among other things, whether the plan of merger adequately protects the interests of the depositors, other creditors and shareholders, and whether the bank merger would be consistent with adequate and sound banking practices and in the public interest on the basis of the financial history and condition of the banks involved, their future prospects, the character of their management, the potential effect of the bank merger on competition, and the convenience and needs of the areas primarily to be served by the resulting institution.

The bank merger of Scottdale with and into Mid Penn Bank is also subject to approval by the FDIC under the federal Bank Merger Act and by the PDB under the Banking Code. In general, the factors considered by the FDIC and the PDB to approve the bank merger are similar to the factors described above relating to the merger.

The merger will not proceed in the absence of regulatory approvals. Although neither Mid Penn nor Scottdale knows of any reason why regulatory approval would not be obtained in a timely manner, neither Mid Penn nor Scottdale can be certain when such approvals will be obtained or if they will be obtained.

The parties are not aware of any other governmental approvals or actions that may be required to consummate the merger. If any other approval or action is required, it is contemplated that such approval or action would be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

### ***Investigation by Scottdale's Special Committee***

Shortly after the parties entered into the merger agreement, an employee and board member at Scottdale presented information to management of Scottdale and Mid Penn regarding a stock trade in the last quarter of 2016 by an individual who was alleged to have access to material inside information. This was relayed to the full Scottdale board

of directors which then took action by forming the special committee to investigate the allegations. The special committee was authorized to, and did, retain independent counsel, M&M, to assist in the investigation. M&M had no prior relationship with Scottsdale.

During the course of the investigation, M&M reviewed written materials and records, electronic communications and conducted interviews with Scottsdale employees, officers and directors. M&M also reviewed two trades in



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addition to the one described above. M&M then presented its findings to the special committee and worked with the special committee in preparing its report to the full Scottsdale board of directors. Of the trades that were reviewed, the special committee communicated to Scottsdale and Mid Penn that, two shares, acquired from a retiring Scottsdale employee (not the trade that formed the basis of the original investigation), appeared to have been transacted in violation of applicable federal securities laws. As to that trade, the special committee report identified multiple mitigating circumstances including that this transaction was consistent with ordinary course of conduct for stock purchases from retiring employees and the purchaser, on its own volition, immediately after announcement of the merger, remitted additional cash to the seller to increase the amount paid to equal the stock value identified in the merger agreement.

Information on this matter has been provided to the independent auditors of both Scottsdale and Mid Penn, and Scottsdale has reported the matter to the SEC.

**INTERESTS OF SCOTSDALE S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER**

In considering the recommendation of the Scottsdale board of directors that you vote to approve the merger agreement, Scottsdale shareholders should be aware that Scottdale s directors and executive officers have interests in the merger that are different from, or in addition to, those of Scottdale shareholders generally. The Scottsdale board was aware of and considered those interests, among other matters, in reaching its decisions to (1) approve and adopt the merger agreement and the transactions contemplated thereby and (2) resolve to recommend the approval of the merger agreement to Scottdale shareholders. Scottdale s shareholders should take these interests into account in deciding whether to vote FOR the proposal to approve the merger agreement. These interests are described in more detail below, and certain of them are quantified in the narrative below and the table below.

***Indemnification***

The merger agreement provides that for a period of six years after the effective time, Mid Penn will indemnify and hold harmless all present and former directors, officers and employees of Scottdale and its subsidiaries against all costs and liabilities arising out of the fact that such person is or was a director, officer, or employee of Scottdale or any of its subsidiaries and pertaining to matters, actions, or omissions existing or occurring at or prior to the effective time, to the fullest extent permitted by applicable law, and will also advance expenses to such persons to the fullest extent permitted by applicable law; however, if required, such person provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

Subject to certain limitations, the merger agreement also requires Mid Penn to maintain, for a period of six years after the completion of the merger, Scottdale s existing directors and officers liability insurance policy, or policies with a substantially comparable insurer of at least the same coverage and amounts and containing terms and conditions that are no less advantageous to the insured, with respect to claims arising from facts or events that occurred at or prior to the completion of the merger. For additional information see the section entitled *The Merger Agreement Indemnification and Insurance* beginning on page 83 of this proxy statement/prospectus.

***Compensation of the Scottdale Board of Directors***

Scottdale board members currently receive a per meeting fee of \$1,200. The total amount of Scottdale director fees for the previous three years is listed below:

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2014	\$ 53,875
2015	54,900
2016	60,725
2017 (through March 2017)	17,200

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**THE MERGER AGREEMENT**

*The following describes certain aspects of the merger, including material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference in this joint proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing this merger.*

***Terms of the Merger***

Each of the Scottdale board of directors and the Mid Penn board of directors has unanimously adopted the agreement and plan of merger, which provides for the merger of Scottdale with and into Mid Penn Bank. Mid Penn Bank will be the surviving entity in the merger. Each share of Mid Penn common stock issued and outstanding immediately prior to completion of the merger will remain issued and outstanding as one share of common stock of Mid Penn. Each share of Scottdale common stock issued and outstanding at the effective time of the merger (with the exception of Company-Owned Stock, as defined below) will be converted into shares of Mid Penn common stock or cash, as described below. See *Consideration to Be Received in the Merger*. Company-Owned Stock means shares of Scottdale stock held in treasury by Scottdale or any of its subsidiaries or any shares of Scottdale stock held by Mid Penn or any of its subsidiaries, other than in a fiduciary or agency capacity or as a result of debts previously contracted. Each share of Scottdale common stock held as Company-Owned Stock immediately prior to the effective time of the merger will be canceled and retired and no consideration will be issued in exchange for Company-Owned Stock. Mid Penn does not own any shares of common stock of Scottdale.

The Mid Penn articles of incorporation will be the articles of incorporation, and the Mid Penn bylaws will be the bylaws of the combined entity after completion of the merger. The merger agreement provides that Mid Penn may change the method of effecting the merger if and to the extent it deems such change to be necessary, appropriate, or desirable. No such change will alter the amount or kind of merger consideration to be provided under the merger agreement, adversely affect the tax treatment of the merger as a reorganization under Section 368(a) of the Internal Revenue Code, or materially impede or delay completion of the merger.

***Closing and Effective Time of the Merger***

The merger will become effective as set forth in the articles of merger to be filed with the Department of State of the Commonwealth of Pennsylvania. It currently is anticipated that the effective time of the merger will occur by the fourth quarter of 2017, but we cannot guarantee when or if the merger will be completed.

***Consideration to Be Received in the Merger***

As a result of the merger each Scottdale shareholder will have the right, with respect to each share of Scottdale common stock held (excluding Company-Owned Stock), to elect to receive either 38.88 to 44.86 shares of Mid Penn common stock or \$1,166.00 in cash.

Under the terms of the merger agreement, at least 90% of the total number of shares of Scottdale common stock outstanding at the effective time of the merger (excluding Company-Owned Stock) will be converted into stock consideration, and the remaining outstanding shares of Scottdale common stock (excluding Company-Owned Stock) will be converted into cash consideration. To the extent necessary to satisfy these relative proration types of consideration, certain allocation and proration procedures, described below in *Proration Procedures*, will be used.

The value of the cash consideration is fixed at \$1,166.00. However, the implied value of the stock consideration will fluctuate as the market price of Mid Penn common stock fluctuates before the completion of the merger. This price will not be known at the time of the Scottsdale special meeting and may be more or less than the

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current price of Mid Penn common stock or the price of Mid Penn common stock at the time of the Scottsdale special meeting or at the time an election is made or from the Average Price, and the implied value of the stock consideration may be more or less than the value of the cash consideration at the completion of the merger.

Mid Penn will initially make available and mail the election form to Scottsdale shareholders under separate cover concurrently with or immediately after the mailing of this joint proxy statement/prospectus. The election deadline will be the date that is five business days prior to the closing date for the merger. Scottsdale shareholders must return their properly completed and signed election form to the exchange agent prior to the election deadline. If you are a Scottsdale shareholder and you do not return your election form by the election deadline or improperly complete or do not sign your election form, you will receive cash, shares of Mid Penn common stock or a mixture of cash and shares of Mid Penn common stock based on what is available after giving effect to the valid elections made by other stockholders pursuant to the proration adjustment described below.

If you are a Scottsdale shareholder, you may specify different elections with respect to different shares held by you. For example, if you have 100 shares, you could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares.

***Cash Election***

The merger agreement provides that each Scottsdale shareholder who makes a valid cash election will have the right to receive, in exchange for each share of Scottsdale common stock held by such holder, cash equal to \$1,166.00 without interest, which is referred to as the cash consideration. Because the maximum percentage of the total number of shares of Scottsdale common stock to be converted into cash is 10%, however, a Scottsdale shareholder who makes a cash election may receive a mix of cash and stock.

***Stock Election***

The merger agreement provides that each Scottsdale shareholder who makes a valid stock election will have the right to receive, in exchange for each share of Scottsdale common stock held, 38.88 to 44.86 shares of Mid Penn common stock, which is referred to as the stock consideration. Because the minimum percentage of the total number of shares of Scottsdale common stock to be converted into Mid Penn common stock is 90%, a Scottsdale shareholder who makes a stock election will receive stock.

If the Average Price of Mid Penn's common stock is between \$25.99 and \$29.99 then each share of Scottsdale common stock will be entitled to be exchanged for Mid Penn common stock worth \$1,166 based on the Average Price. If the Average Price for Mid Penn's common stock is below \$25.99 then each share of Scottsdale common stock will be entitled to be exchanged for 44.86 shares of Mid Penn common stock, valued at less than \$1,166 based on the Average Price. *The market price of Mid Penn common stock will fluctuate prior to the merger, including from the Average Price. You should obtain current stock price quotations for the shares.*

No fractional shares of Mid Penn common stock will be issued to any holder of Scottsdale common stock upon completion of the merger. For each fractional share that would otherwise be issued, Mid Penn will pay cash in an amount equal to the fraction multiplied by the closing price for a share of Mid Penn common stock as reported on Nasdaq for the trading day immediately preceding the closing date. No interest will be paid or accrued on cash payable to holders in lieu of fractional shares.



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The following table shows (i) hypothetical Average Prices of Mid Penn common stock with respect to the stock consideration, upon completion of the merger, (ii) the corresponding exchange ratio, (iii) the equivalent value of the merger consideration per share of Scottsdale common stock, calculated by multiplying the applicable Average Price by an exchange ratio of Mid Penn common stock that Scottsdale shareholders would receive in the merger for each share of Scottsdale common stock, and (iv) the per share cash consideration.

Historical Average Price of Mid Penn Common Stock	Exchange Ratio	Stock Consideration Equivalent Value	Cash Consideration Per Share Value
\$32.00	38.88	\$1,244.16	\$1,166.00
\$31.00	38.88	\$1,205.28	\$1,166.00
\$30.00	38.87	\$1,166.00	\$1,166.00
\$29.00	40.21	\$1,166.00	\$1,166.00
\$28.00	41.64	\$1,166.00	\$1,166.00
\$27.00	43.19	\$1,166.00	\$1,166.00
\$26.00	44.85	\$1,166.00	\$1,166.00
\$25.00	44.86	\$1,121.50	\$1,166.00
\$24.00	44.86	\$1,076.64	\$1,166.00

*The market price of Mid Penn common stock will fluctuate prior to the merger and may be different from the hypothetical Average Price used in the above scenarios for calculating an exchange ratio. You should obtain current stock price quotations for the shares of Mid Penn common stock.*

**Non-Election Shares**

If you are a Scottsdale shareholder and you do not make an election to receive cash or Mid Penn common stock in the merger, your elections are not received by the exchange agent by the election deadline, your forms of election are improperly completed and/or are not signed, you will be deemed to not have made an election. Shareholders not making an election will receive merger consideration depending on, and after giving effect to, the number of elections that have been made by other Scottsdale shareholders using the proration adjustment described below.

**Proration Procedures**

It is unlikely that elections will be made in the exact proportions provided for in the merger agreement. As a result, the merger agreement describes procedures to be followed if Scottsdale shareholders in the aggregate elect to receive less of the Mid Penn common stock than Mid Penn has agreed to issue.

If Scottsdale shareholders elect to receive fewer shares of Mid Penn common stock than Mid Penn has agreed to issue in the merger, then all Scottsdale shareholders who have elected to receive Mid Penn common stock will receive Mid Penn common stock and those shareholders who elected to receive cash or who have made no election will be treated in the following manner:

If the number of shares held by Scottsdale shareholders who have made no election is sufficient to make up the shortfall in the number of Mid Penn shares that Mid Penn is required to issue, then all Scottsdale shareholders who elected cash will receive cash, and those shareholders who made no election will receive both cash and Mid Penn common stock in such proportion as is necessary to make up the shortfall.

If the number of shares held by Scottsdale shareholders who have made no election is insufficient to make up the shortfall, then all Scottsdale shareholders who made no election will receive Mid Penn common stock and those Scottsdale shareholders who elected to receive cash will receive cash and Mid Penn common stock in such proportion as is necessary to make up the shortfall.



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Neither Mid Penn nor Scottdale is making any recommendation as to whether Scottdale shareholders should elect to receive Mid Penn common stock, only cash or a combination of both types of consideration. Neither Mid Penn nor Scottdale is making any recommendation as to whether Scottdale shareholders should elect to receive a specific ratio of cash or Mid Penn common stock. Each Scottdale shareholder must make his or her own decision with respect to election to receive Mid Penn common stock, cash or a combination thereof for his or her shares of Scottdale stock. In addition, because the tax consequences of receiving cash will differ from the tax consequences of receiving Mid Penn common stock, each shareholder should carefully read the discussion included below under *Material United States Federal Income Tax Consequences of the Merger* (page 86) and consult their personal tax advisor.

### ***Conversion of Shares; Letter of Transmittal; Exchange of Certificates***

The conversion of Scottdale common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after completion of the merger but in any event within five business days, the exchange agent will mail to each Scottdale shareholder who has not submitted an election form, a letter of transmittal with instructions on how to exchange certificates representing shares of Scottdale common stock for the merger consideration, to be received in the merger pursuant to the terms of the merger agreement. You will be required to submit your certificates before you will receive your merger consideration. If a certificate for Scottdale common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of appropriate evidence as to that loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification. Computershare will be the exchange agent in the merger and will receive forms of election, exchange certificates for the merger consideration and perform other duties as explained in the merger agreement.

### ***Dividends and Distributions***

Until Scottdale common stock certificates are surrendered for exchange, any dividends or other distributions declared after the effective time of the merger with respect to Mid Penn common stock into which shares of Scottdale common stock may have been converted will accrue but will not be paid. Mid Penn will pay to former Scottdale shareholders any unpaid dividends or other distributions, without interest, only after they have surrendered their Scottdale stock certificates.

Pursuant to the merger agreement, prior to the effective time of the merger, Scottdale and its subsidiaries may not declare or pay any dividend or distribution on its capital stock, except for the payment of an annual dividend subject to certain restrictions based upon Scottdale performance. In addition, Scottdale must consult with Mid Penn regarding the record dates and the payment dates relating to any dividends in respect of Scottdale common stock.

### ***Representations and Warranties***

The merger agreement contains customary representations and warranties of Scottdale and Mid Penn relating to their respective businesses. The representations must be true and correct in accordance with the materiality standards set forth in the merger agreement, as of the date of the merger agreement and at the effective date of the merger as though made at and as of such time (except that representations and warranties that by their terms speak as of the date of the merger agreement or some other date must be true and correct as of such date). The representations and warranties in the merger agreement do not survive the effective time of the merger.

Each of Mid Penn and Scottdale has made representations and warranties to the other regarding, among other things:

corporate matters, including due organization and qualification;

capitalization;

authority relative to execution and delivery of the merger agreement and the absence of breach or violations of organizational documents or other obligations as a result of the merger;

required governmental filings and consents;

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the timely filing of reports with governmental entities;

financial statements and the absence of undisclosed liabilities;

tax matters;

the absence of circumstances and events reasonably likely to have a material adverse effect on the business of Scottdale and Mid Penn;

properties;

insurance coverage;

legal proceedings, and the absence of investigations by regulatory agencies;

compliance with applicable laws;

employee matters, including employee benefit plans;

environmental matters;

brokers, finders and financial advisors;

loan related matters;

related party transactions;

the vote required to approve the merger;

securities registration obligations;

intellectual property;

risk management instruments;

absence of fiduciary or trust accounts; and

the receipt of the respective financial advisor's fairness opinion.

Mid Penn also has made representations and warranties to Scottdale regarding the preparation and filing of the reports filed by Mid Penn with the Securities and Exchange Commission.

Scottdale has also made representations and warranties to Mid Penn regarding credit card accounts, material contracts, real estate leases, and other certain types of contracts, labor matters and anti-takeover laws.

The representations and warranties described above and included in the merger agreement were made by Mid Penn and Scottdale to each other. These representations and warranties were made as of specific dates, may be subject to important qualifications and limitations agreed to by Mid Penn and Scottdale in connection with negotiating the terms of the merger agreement (including by reference to information contained in disclosure schedules delivered by the parties under the merger agreement), and may have been included in the merger agreement for the purpose of allocating risk between Mid Penn and Scottdale rather than to establish matters as facts. The merger agreement is described herein, and included as Annex A, only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding Scottdale, Mid Penn or their respective businesses. Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See *Incorporation of Certain Documents by Reference* on page 205.

### ***Covenants and Agreements***

Each of Scottdale and Mid Penn has undertaken customary covenants that place restrictions on it and its subsidiaries until the effective time of the merger. In general, each of Mid Penn and Scottdale has agreed to operate its respective business in the usual, regular and ordinary course of business, use commercially reasonable efforts to preserve intact its business organization and assets and maintain its rights and franchises, and

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voluntarily take no action that would materially and adversely affect the ability to obtain any regulatory approvals required for the merger or materially affect its ability to perform its covenants under the merger agreement.

In addition, Scottdale has agreed that, with certain exceptions and except with Mid Penn's prior written consent (which, with certain exceptions, is not to be unreasonably withheld), that Scottdale will not, and will not permit any of its subsidiaries to, among other things, undertake the following extraordinary actions:

change or waive any provision of its articles of incorporation, charter or bylaws, except as required by law, or appoint any new directors to its board of directors, except to fill any vacancy in accordance with its bylaws;

change the number of authorized or issued shares of its capital stock, issue any shares of capital stock, or issue or grant any right or agreement of any character relating to its authorized or issued capital stock or any securities convertible into shares of such stock, make any grant or award under any option or benefit plan, or split, combine or reclassify any shares of capital stock, or declare, set aside or pay any dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any shares of capital stock;

enter into, amend in any material respect or terminate any material contract or agreement (including without limitation any settlement agreement with respect to litigation) except in the ordinary course of business or as required by law;

make application for the opening or closing of any, or open or close any, branch or automated banking facility;

except as set forth in the merger agreement, take specified actions relating to director and employee compensation, benefits, hiring and promotions;

except as otherwise expressly permitted under the merger agreement, enter into or, except as may be required by law, materially modify any pension, retirement, stock option, stock purchase, stock appreciation right, stock grant, savings, profit sharing, deferred compensation, supplemental retirement, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement related thereto, in respect of any of its directors, officers or employees; or make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice;

merge or consolidate it or any of its subsidiaries with any other corporation; sell or lease all or any substantial portion of its assets or businesses or that of any of its subsidiaries; make any acquisition of all or any substantial portion of the business or assets of any other party other than in connection with foreclosures, settlements in lieu of foreclosure, troubled loan or debt restructuring, or the collection of any loan or credit arrangement between it or any of its subsidiaries, and any other party; enter into a purchase and assumption

transaction with respect to deposits and liabilities; voluntarily revoke or surrender of its certificate of authority to maintain, or file an application for the relocation of, any existing branch office, or file an application for a certificate of authority to establish a new branch office;

sell or otherwise dispose of its capital stock or that of any of its subsidiaries or sell or otherwise dispose of any of its assets or those of any of its subsidiaries other than in the ordinary course of business consistent with past practice; except for transactions with the Federal Home Loan Bank or the Federal Reserve Bank subject any of its assets or those of any of its subsidiaries to a lien, pledge, security interest or other encumbrance (other than in connection with deposits, repurchase agreements, bankers acceptances, treasury tax and loan accounts established in the ordinary course of business and transactions in federal funds and the satisfaction of legal requirements in the exercise of trust powers) other than in the ordinary course of business consistent with past practice;

voluntarily take any action that would result in any of its representations and warranties becoming untrue in any material respect or any of the conditions set forth in the merger agreement not being satisfied, except in each case as may be required by applicable law or any regulatory authority;

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change any method, practice or principle of accounting, except as may be required from time to time by US GAAP or any regulatory authority responsible for regulating it or its respective banking subsidiary;

waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material agreement or indebtedness with an annual value of \$1,000,000 or greater to which it or any of its subsidiaries is a party;

purchase any securities, including equity or debt securities, except in accordance with past practice pursuant to policies approved by the Scottsdale board of directors in effect prior to the date of the merger agreement;

issue or sell any equity or debt securities;

make any new loan or other credit facility commitment (including without limitation, lines of credit and letters of credit), except in accordance with past practice pursuant to policies approved by its board of directors in effect prior to the date of the merger agreement;

enter into, renew, extend or modify any other transaction (other than a deposit transaction) with any affiliate;

enter into any futures contract, option, interest rate caps, interest rate floors, interest rate exchange agreement or other agreement or take any other action for purposes of hedging the exposure of its interest-earning assets and interest-bearing liabilities to changes in market rates of interest;

except for the execution of the merger agreement, and actions taken or that will be taken in accordance with the merger agreement and performance thereunder, take any action that would give rise to a right of payment to any individual under any employment agreement;

enter into any new line of business;

make any material change in policies in existence on March 29, 2017 with regard to (i) underwriting, the extension of credit, or the establishment of reserves with respect to the possible loss thereon or the charge-off of losses incurred thereon, (ii) investments, (iii) asset/liability management, (iv) deposit pricing or gathering, or (v) other material banking policies except as may be required by changes in applicable law or regulations or by a regulatory authority;

except for the execution of the merger agreement, and the transactions contemplated therein, take any action that would give rise to an acceleration of the right to payment to any individual under any of its employee plans;

make any capital expenditures in excess of \$25,000 individually or \$100,000 in the aggregate, other than pursuant to binding commitments existing on March 29, 2017 and other than expenditures necessary to maintain existing assets in good repair;

purchase or otherwise acquire any assets or incur any liabilities other than in the ordinary course of business consistent with past practices and policies;

undertake, renew, extend or enter into any lease, contract or other commitment for its account, other than in the normal course of providing credit to customers as part of its banking business, involving a payment by it or any subsidiary of more than \$25,000 annually, containing any financial commitment extending beyond 24 months from March 29, 2017 or involving any of its affiliates;

pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than in the ordinary course of business consistent with past practice that involves solely money damages in the amount not in excess of \$25,000 individually or \$60,000 in the aggregate, and that does not create negative precedent and provided that it may not charge-off through settlement, compromise or discharge more than \$50,000 of the outstanding principal balance of any loan that is 90 or more days contractually past due without first discussing the decision with Mid Penn;

foreclose upon or take a deed or title to any commercial real estate without first conducting a Phase I environmental assessment of the property or foreclose upon any commercial real estate if such environmental assessment indicates the presence of certain environmental materials;



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purchase or sell any mortgage loan servicing rights other than in the ordinary course of business;

issue any broadly distributed communication to employees relating to post-closing employment, benefit or compensation information without the prior consent of Mid Penn or issue any broadly distributed communication to customers regarding the merger without the prior approval of Mid Penn, except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the merger;

agree or commit to do any of the actions prohibited by the preceding points.

Each of Mid Penn and Scottdale has agreed to additional covenants which include, among other things, commitments to provide certain financial and regulatory information upon request and maintain insurance in reasonable amounts.

Mid Penn has further agreed that Mid Penn will:

appoint Donald F. Kiefer or a mutually agreed upon qualified replacement candidate to the Mid Penn and Mid Penn Bank boards of directors;

provide employees of Scottdale and its subsidiaries who remain employed after the effective time with base compensation that is, in the aggregate, no less favorable than provided by Scottdale and its subsidiaries on the date of the merger agreement and employee benefits that are provided by Mid Penn to similarly situated employees;

for determining eligibility and vesting for certain Mid Penn employee benefit plans (and not for benefit accrual purposes), provide credit for meeting eligibility and vesting requirements in such plans for service as an employee of Scottdale or any predecessor of Scottdale;

pay severance benefits to any employee of Scottdale whose employment is terminated within 12 months of the closing of the merger, other than for circumstances constituting cause and who is not party to an agreement that provides for specific severance payments, in accordance with the Scottdale Employee Severance Compensation Plan;

honor the terms of all Scottdale employment and change in control agreements;

for a period of six years after the merger, to indemnify, defend and hold harmless all current and former officers, directors and employees of Scottdale against all claims that arise out of the fact that such person is or was a director, officer or employee of Scottdale or its subsidiaries and that relate to any matter of fact existing at or prior to the merger, to the fullest extent as would have been permitted by Scottdale under Pennsylvania law and under Scottdale's articles of incorporation and bylaws;

maintain, for six years following the merger, Scottsdale's current and former directors' and officers' liability insurance policies covering the officers and directors of Scottsdale with respect to matters occurring at or prior to the merger;

establish a retention bonus pool up to \$50,000 based upon recommendations by Scottsdale (other than employees of Scottsdale who are subject to employment contracts or other contracts providing for severance or other payments upon termination of employment or upon change of control of Scottsdale) to help retain the services of such employees until the date of termination of their employment;

reserve a sufficient number of shares of its common stock and maintain sufficient liquid accounts or borrowing capacity to fulfill its obligations in connection with the merger;

obtain approval for listing of the shares of its common stock on Nasdaq;

refrain from amending its articles of incorporation or bylaws or similar governing documents of any of the Mid Penn Subsidiaries in a manner that would materially and adversely affect the economic benefits of the merger to the holders of Scottsdale common stock or that would materially impede Mid Penn's ability to consummate the merger;

prior to the effective time of the merger, enter into an employment agreement with Lawrence J Kiefer;

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for three (3) years immediately thereafter, Mid Penn will operate Scottdale as a separate division of Mid Penn Bank under the name Scottdale Bank & Trust, a Division of Mid Penn Bank (the Scottdale Bank Division ). Upon Closing or promptly thereafter, Mid Penn Bank shall form an advisory board and invite all members of the board of directors of Scottdale to join such advisory board; and

for at least four years following the merger, Mid Penn will maintain the \$75,000 annual donation to the Marilyn K. Kiefer Foundation for so long as such foundation exists and donates at levels (as a percentage of its fundraising), and to those types of charities, consistent with the three years prior to the date the merger.

The parties subsequently agreed to reduce the level of annual donation to \$25,000.

The merger agreement also contains mutual covenants relating to the preparation of this joint proxy statement/prospectus, the regulatory applications and the holding of the special meetings of Mid Penn shareholders and Scottdale shareholders, respectively, access to information of Scottdale and public announcements with respect to the transactions contemplated by the merger agreement. Scottdale and Mid Penn have also agreed to use commercially reasonable efforts to take all actions needed to obtain necessary governmental and third-party consents and to consummate the transactions contemplated by the merger agreement.

### ***Shareholder Meetings***

Each of Mid Penn and Scottdale has agreed to hold a meeting of its respective shareholders as soon as is promptly practicable to obtain shareholder adoption of the merger agreement. Each of Mid Penn's and Scottdale's boards of directors has agreed to recommend that its shareholders vote in favor of the merger agreement.

### ***Agreement Not to Solicit Other Offers***

Scottdale has agreed that it, its officers, directors, employees, representatives, agents or affiliates will not, directly or indirectly:

initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal that constitutes, relates or could reasonably be expected to lead to an alternative acquisition proposal;

recommend or endorse an alternative acquisition transaction;

participate in any discussions or negotiations regarding, or furnish or afford access to information or data to any person that may relate to an alternative acquisition proposal;

release anyone from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which Scottdale is a party; or

enter into any agreement, agreement in principle or letter of intent with respect to any alternative acquisition proposal or approve or resolve to approve any alternative acquisition proposal or any agreement, agreement

in principle or letter of intent relating to an alternative acquisition proposal.

Acquisition proposal means any inquiry, offer or proposal as to any of the following (other than the merger between Mid Penn and Scottsdale) involving Scottsdale:

any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving Scottsdale;

any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, any assets of Scottsdale representing, in the aggregate, fifteen percent or more of the assets of Scottsdale on a consolidated basis;

any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing ten percent or more of the votes attached to the outstanding securities of Scottsdale;

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any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning ten percent or more of any class of equity securities of Scottdale; or

any transaction that is similar in form, substance or purpose to any of the foregoing transactions, or any combination of the foregoing.

Scottdale may, however, participate in discussions with, and may furnish information to, a third party in connection with a bona fide unsolicited acquisition proposal if, and only if:

Scottdale has received a bona fide unsolicited written acquisition proposal that did not result from a breach of the merger agreement;

Scottdale's board of directors determines in good faith, after consultation with its outside legal counsel and independent financial advisor, that the acquisition proposal is, or is reasonably likely to lead to, a superior proposal (as defined below);

Scottdale has provided Mid Penn with at least one business day's prior notice of its determination that the acquisition proposal is, or is reasonably likely to lead to, a superior proposal; and

prior to furnishing or providing access to any information or data with respect to Scottdale or otherwise relating to an acquisition proposal, Scottdale receives from the third party making the proposal a confidentiality agreement on terms no less favorable to Mid Penn than the terms of the existing confidentiality agreement between Scottdale and Mid Penn and provides a copy of the same to Mid Penn.

Scottdale has also agreed to promptly provide to Mid Penn any non-public information about Scottdale that it provides to the third party making the proposal, to the extent such information was not previously provided to Mid Penn.

The term "superior proposal," as defined under the merger agreement, means any bona fide, unsolicited written acquisition proposal made by a person other than Mid Penn, which the Scottdale board of directors determines in its good faith judgment, after considering the advice of its outside legal counsel and financial advisor:

would, if consummated, result in the acquisition of all, but not less than all, of the issued and outstanding shares of Scottdale common stock or all, or substantially all, of the assets of Scottdale on a consolidated basis;

would result in a transaction that involves consideration to the holders of Scottdale common stock that is more favorable, from a financial point of view, than the consideration to be paid to such holders by Mid Penn under the merger agreement, considering, among other things, the nature of the consideration being offered and any material regulatory approvals or other risks associated with the timing of the proposed transaction beyond or in addition to those specifically contemplated hereby, and which proposal is not conditioned upon obtaining additional financing and is, in light of the other terms of such proposal, more

favorable to Scottsdale than the merger and the transactions contemplated by the merger agreement; and

is reasonably likely to be completed on the terms proposed, taking into account all legal, financial, regulatory and other aspects of the proposal.

In addition, Scottsdale has agreed that it will not:

withdraw, qualify or modify, or propose to withdraw, qualify or modify, in a manner adverse to Mid Penn, its recommendation to its shareholders to approve the merger agreement or make any statement, filing or release, in connection with the Scottsdale special meeting of shareholders or otherwise, inconsistent with its recommendation to its shareholders to approve the merger agreement (it being understood that taking a neutral position or no position with respect to an acquisition proposal other than the Mid Penn merger shall be considered an adverse modification of its recommendation to its shareholders), except to the extent otherwise permitted and described below;

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approve or recommend, or publicly propose to approve or recommend, any acquisition proposal other than with respect to the Mid Penn merger; or

enter into (or cause Scottdale to enter into) any letter of intent or other agreement relating to an acquisition proposal other than with respect to the Mid Penn merger or requiring Scottdale to fail to consummate the merger.

Up until the time of the Scottdale shareholder meeting, however, Scottdale may withdraw, qualify or modify in a manner adverse to Mid Penn its recommendation to Scottdale shareholders to approve the merger agreement, or take any of the other actions listed above in this paragraph with respect to another acquisition proposal if but only if:

the Scottdale board of directors has reasonably determined in good faith, after consultation with and having considered the advice of its outside legal counsel and financial advisor that the failure to take such actions would be inconsistent with the board's fiduciary duties to Scottdale's shareholders under applicable law;

it has provided at least three business days' notice to Mid Penn that a bona fide unsolicited proposal constitutes a superior proposal; and

after taking into account any adjusted, modified or amended terms as may have been committed to by Mid Penn in writing, the Scottdale board of directors has again in good faith determined that the other acquisition proposal constitutes a superior proposal.

### ***Expenses and Fees***

In general, each of Mid Penn and Scottdale will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement, except that Mid Penn and Scottdale shall split the costs of printing and mailing the joint proxy statement/prospectus for their respective special meetings.

### ***Indemnification and Insurance***

The merger agreement requires Mid Penn to indemnify Scottdale's and its subsidiaries' current and former directors, officers and employees to the fullest extent as would have been permitted under Pennsylvania law and the Scottdale articles of incorporation or the Scottdale bylaws or similar governing documents. The merger agreement provides that in the event of any threatened or actual claim, action, suit, proceeding or investigation in which any person who is or has been a director, officer or employee of Scottdale or is threatened to be made party based in whole or in part on, or arising in whole or in part out of the fact that he or she is or was a director, officer or employee of Scottdale or any of its subsidiaries or predecessors and pertaining to any matter of fact arising, existing or occurring at or before the effective time of the merger (including the merger and the merger agreement), Mid Penn will defend against and respond thereto.

Mid Penn has agreed to indemnify and hold harmless each such indemnified party against any losses, claims, damages, liabilities, costs, expenses (including reasonable attorney's fees), judgments, and amounts paid in settlement in connection with any such threatened or actual claim, action, suit proceeding or investigation. The merger agreement also requires that Mid Penn provide advancement of expenses to, all past and present officers, directors and employees

of Scottdale and its subsidiaries in their capacities as such against all such losses, claims, damages, costs, expenses, liabilities, judgments or amounts paid in settlement to the fullest extent permitted by applicable laws and Scottdale's articles of incorporation and bylaws.

The merger agreement provides that Mid Penn will maintain for a period of six years after completion of the merger Scottdale's current directors' and officers' liability insurance policies, or policies of at least the same coverage and amount and containing terms and conditions that are not less advantageous than the current policy, with respect to acts or omissions occurring prior to the effective time of the merger.



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***Conditions to Complete the Merger***

Completion of the merger is subject to the fulfillment of certain conditions, none of which may be waived, including:

the adoption of the merger agreement by the Mid Penn and Scottsdale shareholders;

the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part with respect to the Mid Penn common stock to be issued in the merger under the Securities Act and the absence of any stop order or proceedings initiated or threatened by the SEC for that purpose;

the receipt by each of Mid Penn and Scottsdale of a legal opinion with respect to certain United States federal income tax consequences of the merger;

the receipt and effectiveness of all required governmental and other approvals, authorizations and consents on terms and conditions that would not have a material adverse effect on Mid Penn or Scottsdale, and the expiration of all related waiting periods required to complete the merger;

the absence of any law, statute, regulation, judgment, decree, injunction or other order in effect by any court or other governmental entity that prohibits completion of the transactions contemplated by the merger agreement; and

the approval for listing on Nasdaq of the shares of Mid Penn common stock issuable in the merger.

Each of Mid Penn's and Scottsdale's obligations to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions including:

the absence of a material adverse effect on the other party;

the truth and correctness of the representations and warranties of each other party in the merger agreement, subject generally to the materiality standard provided in the merger agreement, and the performance by each other party in all material respects of their obligations under the merger agreement and the receipt by each party of certificates from the other party to that effect; and

Mid Penn having delivered the merger consideration to the exchange agent.

We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, we have no reason to believe that any of these conditions will not be satisfied.

*Termination of the Merger Agreement*

The merger agreement can be terminated at any time prior to completion by mutual consent or by either party in the following circumstances:

if there is a breach by the other party that would cause the failure of the closing conditions, unless the breach is capable of being, and is, cured within 30 days of notice of the breach and the terminating party is not itself in material breach;

if the merger has not been completed by March 31, 2018, unless the failure to complete the merger by that date was due to the terminating party's material breach of a representation, warranty, covenant or other agreement under the merger agreement;

if any of the required regulatory approvals are denied (and the denial is final and non-appealable);

if any court of competent jurisdiction or governmental authority issues an order, decree, ruling or takes any other action restraining, enjoining or otherwise prohibiting the merger (and such order, decree, ruling or action is final and non-appealable); or

if the shareholders of either Mid Penn or Scottsdale fail to adopt the merger agreement at their respective special meetings.

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In addition, Mid Penn's board of directors may terminate the merger agreement if the Scottsdale board of directors receives a superior proposal and enters into a letter of intent, agreement in principle or an acquisition agreement with respect to such proposal, withdraws its recommendation of the merger agreement, fails to make such a recommendation or modifies or qualifies its recommendation, in a manner adverse to Mid Penn, or has otherwise made a determination to accept such proposal.

Further, Scottsdale's board of directors may terminate the merger agreement if Scottsdale has received a superior proposal and has made a determination to accept such proposal.

Scottsdale may also terminate the merger agreement within five days after the later of (i) the date on which all regulatory approvals, and waivers, if applicable, necessary for consummation of the merger and the transactions contemplated by the merger agreement have been received or (ii) the date of the meeting of Scottsdale shareholders (the Determination Date), if Scottsdale's board determines that each of the following have occurred:

the average of the daily closing sale prices of a share of Mid Penn common stock as reported on Nasdaq for the 20 consecutive trading days immediately preceding the Determination Date (the Determination Date Market Value) is less than 80% of the closing sale price of Mid Penn common stock on the last trading date before the date of the merger agreement; and

the decrease in the price of Mid Penn common stock is 20% greater than the decrease in the SNL Small Cap Bank & Thrift Index during the same period.

However, if Scottsdale chooses to exercise this termination right, Mid Penn has the option, within five business days of receipt of notice from Scottsdale, to adjust the merger consideration and prevent termination under this provision.

*Effect of Termination.* If the merger agreement is terminated, it will become void, and there will be no liability on the part of Mid Penn or Scottsdale, except that both Mid Penn and Scottsdale will remain liable for any willful breach of the merger agreement and designated provisions of the merger agreement, including the payment of fees and expenses, and the confidential treatment of information and publicity restrictions, will survive the termination.

### ***Termination Fee***

Scottsdale will pay Mid Penn a termination fee of \$2,365,500 in the event that the merger agreement is terminated:

by Mid Penn because Scottsdale has received an alternative acquisition proposal, and Scottsdale (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Mid Penn, or (3) delivers a written notice to Mid Penn of its determination to accept the alternative acquisition proposal; or

by Scottsdale, if Scottsdale receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal.

### ***Expense Reimbursement Fee***

Scottdale will pay Mid Penn an expense reimbursement fee equal to the lesser of (i) the amount of Mid Penn's actual and documented out-of-pocket expenses incurred in connection with the merger agreement, or (ii) \$500,000 if the merger is terminated by Mid Penn as a result of the failure of the shareholders of Scottdale to approve the transactions contemplated by the merger agreement and, prior to the Scottdale shareholders' meeting, any person shall have proposed or publicly announced an acquisition proposal for Scottdale.

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### ***Amendment, Waiver and Extension of the Merger Agreement***

Subject to applicable law, the parties may amend the merger agreement by written agreement between Scottdale and Mid Penn executed in the same manner as the merger agreement.

At any time prior to the completion of the merger, each of the parties, by action taken or authorized by their respective board of directors, to the extent legally allowed, may:

extend the time for the performance of any of the obligations or other acts of the other party;

waive any inaccuracies in the representations and warranties of the other party; or

waive compliance by the other party with any of the other agreements or conditions contained in the merger agreement.

However, after any approval of the transactions contemplated by the agreement and plan of merger by the shareholders of Scottdale and Mid Penn, there may not be, without further approval of such shareholders, any amendment which reduces the amount or value or changes the form of consideration to be delivered to Scottdale shareholders.

## **ACCOUNTING TREATMENT**

Mid Penn will account for the merger using the acquisition method under US GAAP. Under the acquisition method of accounting, the tangible and identifiable intangible assets and liabilities, including executory contracts and other commitments, of Scottdale will be recorded, as of completion of the merger, at their respective fair values. The excess of the purchase price over the fair value of the net assets acquired will be recorded as goodwill to the extent not allocated to core deposit or other intangibles. Goodwill resulting from the merger will not be amortized but will be reviewed for impairment at least annually. Core deposits and other intangibles with finite useful lives recorded in connection with the merger will be amortized. If the net assets acquired exceed the purchase price, the resulting difference will be recorded as a bargain purchase gain.

Financial statements and reported results of operations of Mid Penn issued after completion of the merger will not be restated retroactively to reflect the historical financial position or results of operations of Scottdale.

## **MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

The following discussion addresses the material United States federal income tax consequences of the merger to a Scottdale shareholder who holds shares of Scottdale common stock as a capital asset. This discussion is based upon the Internal Revenue Code, Treasury regulations promulgated under the Internal Revenue Code, judicial authorities, published positions of the Internal Revenue Service (the IRS) and other applicable authorities, all as in effect on the date of this discussion and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. It is also based upon representations and facts provided by each of Mid Penn and Scottdale to Stevens & Lee, P.C. and Tucker Arensberg P.C. Future legislative, judicial, or administrative changes or interpretations which may or may not be retroactive, or the failure of any such facts or representations to be true, accurate and complete, may affect the statements and conclusions described in this discussion.

This discussion is not intended to be a complete description of all of the United States federal income tax consequences of the merger. Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to Scottsdale shareholders in light of their particular circumstances and does not address aspects of United States federal income taxation that may be applicable to Scottsdale shareholders subject to special treatment under the Internal Revenue Code (including but not limited to banks, financial institutions, trusts, estates, persons who hold shares of Scottsdale common stock in an individual retirement account (IRA), 401(k) plans or similar tax-favored accounts, tax-exempt organizations, insurance companies, dealers or brokers in securities or foreign currencies, traders in securities that elect to use a mark-to-market method of accounting,

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persons holding Scottsdale common stock through a pass-through entity, Scottsdale shareholders who hold their shares of Scottsdale common stock as part of a hedge, straddle, conversion transaction or constructive sale transaction, Scottsdale shareholders who acquired their shares of Scottsdale common stock pursuant to the exercise of employee stock options or otherwise as compensation, persons that hold options or warrants to acquire Scottsdale common stock, persons whose functional currency for United States federal income tax purposes is not the United States dollar, persons who are United States expatriates and holders who are not United States persons, within the meaning of Section 7701(a)(30) of the Internal Revenue Code). In addition, the discussion does not address any aspect of state, local or foreign taxation. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax aspects set forth below.

No ruling has been or will be requested from the Internal Revenue Service regarding the tax consequences of the merger. Moreover, the opinions of Stevens & Lee and Tucker Arensberg described in this discussion is not binding on the Internal Revenue Service, and the opinions would not prevent the Internal Revenue Service from challenging the United States federal income tax treatment of the merger. Because of the complexities of the tax laws in general, and the complexities of the tax consequences associated with the receipt of cash in the merger in particular, holders of Scottsdale common stock are encouraged to consult their tax advisors with respect to the particular United States federal, state, local and foreign tax consequences of the merger. This section is not intended to be tax advice to any shareholder.

***Tax Opinion of Stevens & Lee and Tucker Arensberg***

The closing of the merger is conditioned, in part, upon the receipt by Mid Penn of the opinion of Stevens & Lee P.C., and the receipt by Scottsdale of the opinion of Tucker Arensberg, P.C., each dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in the opinion (including factual representations contained in certificates of officers of Mid Penn and Scottsdale) which are consistent with the state of facts existing as of the effective date of the merger, the merger will be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. The tax opinions to be delivered in connection with the merger represent each counsel's best legal judgment; however, such opinions are not binding on the IRS or the courts, and neither Mid Penn nor Scottsdale intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the facts, representations or assumptions upon which such opinions are based is inconsistent with the actual facts, the United States federal income tax consequences of the merger could be adversely affected.

Assuming that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the discussion below sets forth the opinion of Stevens and Lee, P.C. as to the material United States federal income tax consequences of the merger to Scottsdale shareholders:

holders of Scottsdale common stock who receive Mid Penn common stock in the merger in exchange for all their shares of Scottsdale common stock will not recognize any gain or loss with respect to shares of Mid Penn common stock received (except with respect to cash received instead of a fractional share interest in Mid Penn common stock);

holders of Scottdale common stock who receive only cash in the merger in exchange for all of their shares of Scottdale common stock will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's adjusted tax basis in the shares of Scottdale common stock exchanged therefor;

each holder of Scottdale common stock who receives Mid Penn common stock and cash (other than in lieu of a fractional share interest in Mid Penn common stock) in the merger in exchange for the holder's shares of Scottdale common stock will recognize the gain, if any, realized by the holder, in an amount not in excess of the amount of cash received (other than cash received instead of a fractional share interest in Mid Penn common stock), but will not recognize any loss on the exchange; and



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holders of Scottsdale common stock who receive cash instead of a fractional share interest in Mid Penn common stock will recognize gain or loss equal to the difference between the cash received and the portion of the basis of the holders' shares of Scottsdale common stock allocable to that fractional share interest

***Character of Gain Where Scottdale Common Stock is Exchanged in the Merger Solely for Cash***

If, pursuant to the merger, all of the shares of Scottsdale common stock actually owned by a shareholder are exchanged solely for cash, the shareholder generally will recognize capital gain or loss equal to the difference between the amount of cash received and the shareholder's adjusted tax basis in the shares of Scottsdale common stock exchanged therefor. This gain or loss will generally be long-term capital gain or loss if the shareholder's holding period with respect to the shares of Scottsdale common stock exchanged is more than one year as of the effective date of the merger. If, however, any such shareholder actually or constructively (through the constructive ownership rules of the Internal Revenue Code) owns shares of Mid Penn stock immediately after the merger, part or all of the cash received may be treated as dividend income if the exchange has the effect of a distribution of a dividend with respect to the shareholder. The application of the law to a shareholder described in the previous sentence is particularly complex; accordingly, any such shareholder should consult his or her tax advisor.

***Character of Gain Where Scottdale Common Stock is Exchanged in the Merger for Mid Penn Common Stock and Cash***

For purposes of calculating gain in this transaction, if a shareholder receives Mid Penn common stock and cash (other than cash received instead of a fractional interest in Mid Penn common stock), gain or loss must be calculated by the shareholder separately for each identifiable block of shares exchanged, and is equal to the sum of the amount of cash and the fair market value of Mid Penn common stock received with respect to that block of shares minus the shareholder's adjusted tax basis in that block of shares. In addition, a loss realized on one block of shares may not be used to offset a gain realized on another block of shares.

As noted above, in the case of a Scottsdale shareholder that exchanges his or her shares of Scottsdale common stock for a combination of Mid Penn common stock and cash pursuant to the merger, such shareholder will recognize the gain, if any, realized by such shareholder in the exchange but not in excess of the amount of cash received. In general, the determination of whether any gain recognized in the exchange should be treated as capital gain or has the effect of a distribution of a dividend depends on whether, and to what extent, the exchange reduces the shareholder's deemed percentage stock ownership of Mid Penn. For purposes of this determination, the shareholder is treated as if he or she first exchanged all of his or her shares of Scottsdale common stock solely for Mid Penn common stock and then Mid Penn immediately redeemed (in a deemed redemption) a portion of such Mid Penn common stock in exchange for the cash the shareholder actually received. The gain recognized in the exchange will be treated as capital gain if the deemed redemption (i) is substantially disproportionate with respect to the shareholder or (ii) is not essentially equivalent to a dividend.

The deemed redemption should generally be substantially disproportionate with respect to a shareholder if the percentage of the outstanding stock of Mid Penn the shareholder owns, actually and constructively, immediately after the deemed redemption is less than 80% of the percentage of the outstanding stock of Mid Penn the shareholder is deemed to own, actually and constructively, immediately before the deemed redemption, and the shareholder owns less than 50% of the total combined voting power of all classes of Mid Penn stock immediately after the redemption.

Whether the deemed redemption is not essentially equivalent to a dividend with respect to a shareholder will depend on the shareholder's particular circumstances. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in the shareholder's actual and constructive percentage stock ownership of Mid Penn. In general, that determination requires a comparison of the percentage of the

outstanding stock of Mid Penn the shareholder is deemed to own, actually

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and constructively, immediately before the deemed redemption and the percentage of the outstanding stock of Mid Penn the shareholder actually and constructively owns immediately after the deemed redemption. The Internal Revenue Service has ruled that a minority shareholder (i.e., a shareholder whose relative stock interest is minimal in relation to the number of shares outstanding and who exercises no control with respect to corporate affairs) generally is treated as having a meaningful reduction in interest if a cash payment results in at least a relatively minor reduction in the shareholder's actual and constructive percentage ownership.

***Tax Basis and Holding Period***

The aggregate tax basis of the Mid Penn common stock received by a Scottsdale shareholder in the merger (including fractional shares deemed received and redeemed as described below) will be the same in the aggregate as the tax basis of the shares of Scottsdale common stock surrendered by such shareholder for the Mid Penn common stock, decreased by the amount of any cash received (other than cash received instead of a fractional share interest in Mid Penn common stock) by the shareholder and increased by the amount of income or gain recognized by the shareholder in the exchange (which does not include gain recognized in respect of fractional shares deemed received and redeemed (as described below)).

Each Scottsdale shareholder's holding period in any shares of Mid Penn common stock received in the merger (including any fractional shares deemed received and redeemed as described below) will, in each instance, include the period during which the shares of Scottsdale common stock surrendered in exchange therefor were held, provided that those shares of Scottsdale common stock were held as capital assets on the effective date of the merger.

***Cash Received in Lieu of a Fractional Share Interest***

Cash received by a Scottsdale shareholder in lieu of a fractional share interest in Mid Penn common stock will be treated as though the fractional share had been received and then redeemed for cash, and in general gain or loss will be recognized, measured by the difference between the amount of cash received and the portion of the basis of the shares of Scottsdale common stock allocable to such fractional interest. Such gain or loss generally will be long-term capital gain or loss if the holding period for such shares of Scottsdale common stock was more than one year as of the effective date of the merger. If, however, the receipt of cash instead of a fractional share of Mid Penn common stock has the effect of the distribution of a dividend with respect to a shareholder, part or all of the cash received may be treated as a dividend.

***Mid Penn and Scottdale***

Mid Penn and Scottdale will each be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code. As a result, no gain or loss will be recognized by Mid Penn or Scottdale as a result of the merger (except for amounts resulting from any required change in accounting methods and any deferred income, deferred gain or deferred loss to be taken into account under the relevant consolidated return regulations).

***Backup Withholding***

Backup withholding at a 28% rate will generally apply to merger consideration that includes cash if the exchanging Scottsdale shareholder fails to properly certify that it is not subject to backup withholding, generally on Internal Revenue Service Form W-9. Certain holders, including, among others, United States corporations, are not subject to backup withholding, but they may still need to furnish a Form W-9 or otherwise establish an exemption. Any amounts withheld from payments to a Scottsdale shareholder under the backup withholding rules are not additional taxes and will be allowed as a refund or credit against the shareholder's United States federal income tax liability, provided that

the required information is timely furnished to the Internal Revenue Service.

***Medicare Tax***

In addition to income taxes, any individual shareholder with adjusted gross income (including certain foreign income that is exempt from U.S. taxes) in excess of \$250,000 for a married couple filing a joint return (in excess of \$200,000 for individuals filing as single) will be subject to the 3.8% Medicare tax on all or part of the income recognized by such individual as a result of the merger.

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*Tax matters are very complicated, and the tax consequences of the merger to each holder of Scottsdale common stock will depend on the facts of that shareholder's particular situation. The discussion set forth above does not address all United States federal income tax consequences that may be relevant to a particular holder of Scottsdale common stock and may not be applicable to holders in special situations. Holders of Scottsdale common stock are urged to consult their own tax advisors regarding the specific tax consequences of the merger. Further, such discussion does not address tax consequences that may arise with respect to Mid Penn by reason of any actions taken or events occurring subsequent to the merger.*

## **THE MID PENN SPECIAL MEETING**

This joint proxy statement/prospectus is being furnished to Mid Penn shareholders by Mid Penn's board of directors in connection with the solicitation of proxies from the Mid Penn shareholders for use at the special meeting of Mid Penn shareholders and any adjournments or postponements of the special meeting.

### **Date, Time and Place**

The special meeting will be held on November 17, 2017 at 9:00 a.m., local time, at the Halifax Area Ambulance and Rescue Association, Inc., 31 Bunker Hill Road, Halifax, Pennsylvania 17032, subject to any adjournments or postponements.

### **Matters to be Considered**

At the special meeting, Mid Penn shareholders will be asked to consider and vote upon the following proposals:

1. adoption of the merger agreement as described in detail under the heading *The Merger* beginning on page 41; and
2. approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies to adopt the merger agreement.

### **Shareholders Entitled to Vote**

The close of business on October 3, 2017 has been fixed by Mid Penn's board of directors as the record date for the determination of those holders of Mid Penn common stock who are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting.

At the close of business on the record date there were 4,240,754 shares of Mid Penn common stock outstanding and entitled to vote.

### **Quorum and Required Vote**

Each holder of record of shares of Mid Penn common stock as of the Mid Penn record date is entitled to cast one vote per share at the special meeting on each proposal. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of Mid Penn common stock entitled to vote at the special meeting constitutes a quorum for the transaction of business at the special meeting. The affirmative vote at the Mid Penn special meeting, in person or by proxy, of a majority of the votes cast is required to approve the merger agreement and the proposal to

adjourn the Mid Penn special meeting, if necessary, to solicit additional proxies.

**How Shares Will Be Voted at the Special Meeting**

All shares of Mid Penn common stock represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary, to permit further solicitation of proxies.

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If you hold shares of Mid Penn common stock in street name through a bank, broker or other nominee holder, the nominee holder may only vote your shares in accordance with your instructions. If you do not give specific instructions to your nominee holder as to how you want your shares voted, your nominee will indicate that it does not have authority to vote on the proposal, which will result in what is called a broker non-vote. Broker non-votes will be counted for determining whether there is a quorum present at the special meeting, but they will not be deemed to have been voted on any of the proposals. Abstentions and broker non-votes will not affect the outcomes of any of the proposals. If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

## **How to Vote Your Shares**

Mid Penn shareholders may vote in person at the special meeting or by one of the following methods:

*Voting by Mail.* You may vote by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement, your proxy will be voted in favor of that proposal.

*Voting by Internet.* If you are a registered shareholder, you may vote electronically through the Internet by following the instructions included with your proxy card. If your shares are registered in the name of a broker or other nominee, you may be able to vote via the Internet. If so, the voting form your nominee sends you will provide Internet instructions.

*Voting by Phone.* Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call (888) 497-9677 and then follow the instructions.

*Voting in Person.* If you attend the meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the special meeting. Should you have any questions on the procedure for voting your shares, please contact the Mid Penn Corporate Secretary at (717) 692-7105.

## **How to Change Your Vote**

If you are a registered shareholder, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of Mid Penn, or (3) attending the special meeting in person and voting by ballot at the special meeting. The Mid Penn Secretary's mailing address is 349 Union Street, Millersburg, Pennsylvania 17061. If your shares are registered in the name of a broker or other nominee, you may revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

## **Solicitation of Proxies**

Mid Penn has engaged Georgeson LLC (Georgeson) to act as the proxy solicitor and to assist in the solicitation of proxies for the Mid Penn special meeting of shareholders. Mid Penn has agreed to pay Georgeson approximately \$6,500, plus reasonable out-of-pocket expenses, for such services and will also indemnify Georgeson against certain claims, costs, damages, liabilities, and expenses.

Mid Penn will bear the cost of soliciting proxies. In addition to solicitation of proxies by mail, Mid Penn will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Mid Penn common stock and secure their voting instructions. Mid Penn will reimburse the record holders for



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their reasonable expenses in taking those actions. If necessary, Mid Penn may use several of its regular employees, who will not be specially compensated, to solicit proxies from Mid Penn shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Mid Penn and Scottdale will share equally the expenses incurred in connection with the copying, printing and distribution of this joint proxy statement/prospectus for their special meetings.

## **Mid Penn Affiliate Letter Agreements**

As of the record date, directors and executive officers of Mid Penn and their affiliates had the right to vote 320,789 shares of Mid Penn common stock, or 7.6% of the outstanding Mid Penn common stock entitled to be voted at the special meeting. Each of the directors and executive officers of Mid Penn has agreed to vote all shares of Mid Penn common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

## **Attending the Meeting**

All holders of Mid Penn common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without both proper proof of share ownership and proper photo identification.

## **MID PENN SPECIAL MEETING PROPOSAL NO. 1**

### **APPROVAL AND ADOPTION OF THE MERGER AGREEMENT**

Mid Penn is asking its shareholders to approve and adopt the merger agreement. For a detailed discussion of the merger, including the terms and conditions of th