



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 3, 2026

Kenneth J. Rollins
Pillar + Aught

Re: Embassy Bancorp, Inc. (the "Company")
Incoming Letter dated January 30, 2026

Dear Kenneth J. Rollins:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Steven Buckman for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Company represents that it has a reasonable basis to exclude the Proposal. Based solely on that representation, we will not object if the Company excludes the Proposal from its proxy materials.

Copies of all of the correspondence on which this response is based will be made available on our website.

Sincerely,

Division of Corporation Finance
Office of Chief Counsel

cc: Steven Buckman

January 30, 2026

Re: **Embassy Bancorp, Inc. – 2026 Annual Meeting –
Exclusion of Shareholder Proposal**

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

VIA ELECTRONIC SUBMISSION

Ladies & Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are writing on behalf of our client, Embassy Bancorp, Inc., a Pennsylvania corporation (the “Company”), to notify the staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”), for the reason stated below, the Company’s intention to omit the shareholder proposal and supporting statement (the “2026 Proposal”) submitted by Steven Buckman (the “Proponent”) from the proxy materials to be distributed by the Company in connection with its 2026 annual meeting of shareholders (the “2026 Proxy Materials”).

In accordance with relevant Staff guidance, we are submitting this letter electronically to the Staff through the Commission’s online shareholder proposal form. Pursuant to Rule 14a-8(j), a copy of this submission is also being sent to the Proponent as notification of the Company’s intention to omit the 2026 Proposal from the 2026 Proxy Materials.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that, if he elects to submit additional correspondence to the Commission or the Staff relating to the 2026 Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned and the Company.

The Company currently intends to file its definitive 2026 Proxy Materials with the Commission on or about April 29, 2026. Accordingly, as contemplated by Rule 14a-8(j), we have filed this letter with the Commission no later than 80 calendar days before the Company intends to file its definitive 2026 Proxy Materials with the Commission.

Pursuant to the Statement Regarding the Division of Corporation Finance’s Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season released by the Staff on November

17, 2025 (the “Division Statement”)¹, the Company represents without qualification that it has a reasonable basis to exclude the 2026 Proposal based on the provisions of Rule 14a-8, prior published guidance and/or judicial decisions, for the reason set forth below. We request that the Staff respond to this letter that it will not object to omission of the 2026 Proposal from the 2026 Proxy Materials in accordance with the Division Statement.

I. Basis for Exclusion

Pursuant to the extensive body of guidance from the Commission and Rule 14a-8(h)(3), the Company intends to exclude Proponent’s 2026 Proposal from the 2026 Proxy Materials because neither the Proponent nor his qualified representative attended the Company’s 2025 annual meeting of shareholders held on June 18, 2025 (the “2025 Annual Meeting”) to present the Proponent’s proposal (the “2025 Proposal”) contained in the proxy materials distributed by the Company in connection with the 2025 Annual Meeting (the “2025 Proxy Materials”).

II. Background

On December 26, 2025, the Company received the 2026 Proposal accompanied by a cover letter from the Proponent dated December 15, 2025. On December 29, 2025, the Company sent a letter to Proponent confirming receipt of the 2026 Proposal. Copies of the 2026 Proposal and the cover letter and the Company’s response are attached hereto as Exhibit A.²

III. The 2026 Proposal May be Excluded under Rule 14a-8(h)(3) Because Neither the Proponent nor His Qualified Representative Attended the Company’s 2025 Annual Meeting to Present the Proponent’s 2025 Proposal Contained in the Company’s 2025 Proxy Materials.

Under Rule 14a-8(h)(1), a proponent must attend the shareholders’ meeting to present his or her proposal or must send a representative who is qualified under state law to present the proposal on the proponent’s behalf. Rule 14a-8(h)(3) provides that if a shareholder or such shareholder’s qualified representative fails, without good cause, to appear and present a proposal included in the company’s proxy materials, the company will be permitted to exclude all of such shareholder’s proposals from the company’s proxy materials for any meetings held in the following two calendar years.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal under Rule 14a-8(h)(3) when the company included a proposal submitted by the proponent in its proxy materials for one of the company’s prior two annual meetings and the proponent (or

¹ <https://www.sec.gov/newsroom/speeches-statements/statement-regarding-division-corporation-finances-role-exchange-act-rule-14a-8-process-current-proxy-season>

² Exhibit A omits certain personally identifiable and other sensitive information. See the Staff’s “Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials” (Dec. 17, 2021), available at <https://www.sec.gov/newsroom/whats-new/announcement-regarding-personally-identifiable-other-sensitive-information-rule-14a-8-submissions>.

his or her qualified representative) failed, without “good cause,” to appear and present the proponent’s shareholder proposal at an applicable annual meeting, regardless of whether such meeting was held virtually or in person. *See e.g., DexCom, Inc.* (Mar. 20, 2025); *Oshkosh Corporation* (Feb. 23, 2025); *Linde plc* (Apr. 24, 2024); *Edward Lifesciences* (Jan. 16, 2024); *Comcast Corp.* (Apr. 6, 2022); *Dana Incorporated* (Feb. 5, 2021); *The Kraft Heinz Company* (Feb. 5, 2021); *L3 Harris Technologies, Inc.* (Jan. 16, 2021); *Annaly Capital Management, Inc.* (Mar. 2, 2021); *United Technologies Corp.* (Mar. 8, 2019); *The Dow Chemical Co.* (Jan. 24, 2017); *Expeditors Int’l of Washington, Inc.* (Jan. 20, 2016); *McDonald’s Corp.* (Mar. 3, 2015); *Entergy Corp.* (Jan. 12, 2010), *recon. denied* Mar. 16, 2010); *E.I. du Pont de Nemours and Co. (Phippen)* (Feb. 16, 2010); *State Street Corp.* (Feb. 3, 2010); *Comcast Corp.* (Feb. 25, 2008).

Moreover, the Staff consistently has permitted exclusion of a shareholder proposal under Rule 14a-8(h)(3) where the company permitted its shareholders to vote on a shareholder proposal submitted by the proponent at either of the previous two years’ annual meetings, even though the proponent of the proposal or its qualified representative failed to appear and present the proposal. *See e.g., United Technologies Corp.* (Mar. 8, 2019); *McDonald’s Corp.* (Mar. 3, 2015); *Ameron International Corp.* (Jan. 12, 2011, *recon. denied* Feb. 14, 2011); *Medco Health Solutions, Inc.*, (Dec. 3, 2009); *E.I. du Pont de Nemours and Co. (Phippen)* (Feb. 16, 2010) (in each case, concurring with the exclusion of a shareholder proposal where the proponent failed to appear and present his or her proposal even though the company permitted the proposal to be voted upon for the convenience of the shareholders).

In this instance, the Proponent failed, without good cause, to attend the Company’s 2025 Annual Meeting to present the 2025 Proposal. The Company gave timely notice regarding the 2025 Annual Meeting to its shareholders and, consistent with the Commission’s rules and Pennsylvania law, the notice clearly stated the date and time of the Company’s 2025 Annual Meeting.³ Further, the notice advised Company shareholders of the solely virtual nature of the 2025 Annual Meeting, conducted exclusively online via webcast and included the website link and instructions on how shareholders could remotely access, participate in and vote at the 2025 Annual Meeting, consistent with the Company’s practice in prior years. The Company has been holding virtual annual meetings since 2020.

The Proponent submitted the 2025 Proposal (attached hereto as Exhibit B) on November 19, 2024 and the Company included the 2025 Proposal in the Company’s 2025 Proxy Materials as Proposal 5 (an excerpt of which is attached hereto as Exhibit C) and was prepared to allow the Proponent, or a qualified representative of the Proponent, to present the 2025 Proposal at the Company’s 2025 Annual Meeting. As further outlined below and set forth on Exhibit D, the Company provided the proponent with clear and detailed instructions on how to participate in the 2025 Annual Meeting in order to present the 2025 Proposal, including email correspondence on March 26, 2025, advising the Proponent of the opportunity to pre-record a presentation of the 2025 Proposal and advised the Proponent that he should reach out with any questions or issues. The Proponent acknowledged the email on the same day. We also note that, following receipt of the March 2025 email correspondence, the Proponent did not

³ See the Company’s 2025 Proxy Statement, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001449794/000144979425000004/emyb-20250618xdef14a.htm>

raise any concerns regarding accessibility of the virtual meeting location, technical issues concerning either the virtual meeting or the dial-in, or his availability to present the 2025 Proposal. The Company was prepared to allow the Proponent, or his qualified representative, to present the 2025 Proposal at the 2025 Annual Meeting. However, neither the Proponent nor a qualified representative of the Proponent attended the 2025 Annual Meeting to present the 2025 Proposal, and the Proponent did not provide the Company with any explanation for his, or his qualified representative's absence. Despite the Proponent's failure to attend the 2025 Annual Meeting, the Company allowed a vote to be taken on the matter for the convenience of its shareholders. Because neither the Proponent nor his qualified representative attended the 2025 Annual Meeting to present the 2025 Proposal, the Proponent is not eligible to submit a proposal for inclusion in the 2026 Proxy Materials for the 2026 Annual Meeting. Accordingly, the Company respectfully submits that it can properly exclude the 2026 Proposal from its 2026 Proxy Materials under Rule 14a-8(h)(3).


For this reason, and consistent with the precedent cited above, the 2026 Proposal should be excluded from the 2026 Proxy Materials pursuant to Rule 14a-8(h)(3).

IV. Conclusion

Based on the foregoing analysis, the Company respectfully requests that the Staff concur that the Company may exclude the 2026 Proposal from the 2026 Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter, or should you require any additional information in support of our position, we would welcome the opportunity to discuss these matters with you as you prepare your response. Any such communication regarding this letter should be directed to the undersigned at (717) 308-9633 or krollins@pillaraught.com. Thank you.

Sincerely,

PILLAR+AUGHT

By: 
Kenneth J. Rollins

cc: David M. Lobach, Jr., Chairman, President & CEO
Steven Buckman

EXHIBIT A

December 15, 2025

Corporate Secretary
Embassy Bancorp, Inc.
100 Gateway Drive
Suite 310
Bethlehem, PA 18017

Re: Shareholder Proposal Requesting that the Shares of of Embassy Bancorp, Inc be listed on Nasdaq:

Enclosed is a shareholder Proposal and Supporting Statement I submit in accordance with the provision for business to be conducted at an annual meeting contained in the April 28, 2025 Proxy Statement of Embassy Bancorp, Inc. Pursuant to Securities Exchange Act Rule 14a-8, please include my Proposal and Supporting Statement in the Proxy Statement for Embassy Bancorp Inc.'s 2026 Annual Meeting of Stockholders.

The required information is as follows:

Name: Steven Buckman

Address:

Contact:

Number of Shares Directly Owned: 13,000

I represent that I have held at least \$25,000 in market value of Embassy Bancorp, Inc., for at least one year. I intend to continue to hold through the date of the 2026 Stockholders Meeting all shares that I own.

My Embassy Bancorp, Inc. shares are held in my brokerage account at
Attached is a copy of a letter from evidencing my ownership.

I would be pleased to talk with Embassy Bancorp Inc's representatives by teleconference during normal business hours at a mutually convenient time. The SEC rules mandate that I select a specific time—thus I will suggest Tuesday December 30, 2025 at 11:00 EST. That said, I am flexible on other dates and times that week. Last year, Embassy's legal counsel did not request such a meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Buckman", written in a cursive style.

Steven Buckman

Shareholder Proposal Recommending Listing of Embassy Bancorp, Inc. Shares on Nasdaq

Resolved, that the shareholders of Embassy Bancorp, Inc. ("EMYB") hereby recommend that the Board of Directors take all necessary steps to promptly list the shares of Embassy Bancorp, Inc. on the Nasdaq exchange.

Supporting Statement of Shareholder

Steven Buckman believes Embassy's shareholders would enjoy greater liquidity for its shares if Embassy's shares were listed on the Nasdaq exchange.

Please vote **FOR** this proposal



Kenneth J. Rollins, Esquire

99999/1

December 29, 2025

Steven Buckman

Via email:

Re: Shareholder Proposal - Embassy Bancorp, Inc.

Dear Mr. Buckman:

On behalf of our client, Embassy Bancorp, Inc. ("Embassy"), we hereby acknowledge receipt of your letter dated December 15, 2025 concerning the above-referenced matter. We will advise you if representatives of Embassy determine to accept your offer to discuss the same.

In the meantime, we ask that you kindly direct all future communications concerning this matter to the undersigned. Thank you.

Sincerely,

PILLAR+AUGHT

A handwritten signature in black ink, appearing to read "KJR", followed by a long horizontal line extending to the right.

By:

Kenneth J. Rollins

Cc: David M. Lobach, Jr.

EXHIBIT B

November 19, 2024

Ms. Judith Hunsicker
Corporate Secretary
Embassy Bancorp, Inc.
100 Gateway Drive
Suite 310
Bethlehem, PA 18017

Re: Shareholder Proposal Recommending Sale of Embassy Bancorp, Inc

Enclosed is a shareholder Proposal and Supporting Statement I submit in accordance with the provision for business to be conducted at an annual meeting contained in the April 29, 2024 Proxy Statement of Embassy Bancorp, Inc. Pursuant to Securities Exchange Act Rule 14a-8, please include my Proposal and Supporting Statement in the Proxy Statement for Embassy Bancorp Inc.'s 2025 Annual Meeting of Stockholders.

The required information is as follows:

Name: Steven Buckman

Address:

Contact:

Number of Shares Directly Owned: 13,000

I represent that I have held at least \$25,000 in market value of Embassy Bancorp, Inc., for at least one year. I intend to continue to hold through the date of the 2025 Stockholders Meeting all shares that I own.

My Embassy Bancorp, Inc. shares are held in my brokerage account at
Attached is a copy of a letter from _____ evidencing my ownership.

I would be pleased to talk with Embassy Bancorp Inc's representatives by teleconference during normal business hours at a mutually convenient time. The SEC rules mandate that I select a specific time—thus I will suggest Wednesday December 4, 2024 at 11:00 EST. That said, I am flexible on other dates and times that week.

Sincerely,



Steven Buckman

Shareholder Proposal Recommending Sale of Embassy Bancorp, Inc.

Resolved, that the shareholders of Embassy Bancorp, Inc. ("EMYB") hereby recommend that the Board of Directors take all necessary steps to promptly sell Embassy Bancorp, Inc.

Supporting Statement

Stockholder Steven Buckman believes Embassy's assets would be worth more to an acquirer than Embassy is likely to achieve on its own in the market.

The bank's under performance is evidenced by its 0.61% Return on Assets. The Company's recent subpar returns have been caused by poor matching of asset/liability durations which an acquirer could easily rectify.

Potential cost saves could also be achieved. For example, the costs of the corporate headquarters which is rented from Red Bird Associates, (owned by Embassy's officers and directors) could be reduced or eliminated. In 2023, the rental expense was \$624,971. It should be noted that Northampton County has assessed the property at \$2,204,600—several hundred thousand dollars less than the value of the 5 year lease. Shareholders are concerned that there is a potential conflict of interest that might interfere with the need for an immediate sale versus the desire of Red Bird whose interests would be to wait until the five year lease renews on March 1, 2027.

EMYB stockholders would be best served if the company and its assets were sold as soon as possible for the best available price.

Please vote FOR this proposal

EXHIBIT C

Fees of Independent Public Accountants

The following fees were paid by the Company to Baker Tilly US, LLP for services rendered in 2024 and 2023, respectively:

	2024	2023
Audit fees (1)	\$ 257,229	\$ 236,870
Audit related fees	-	-
Tax fees (2)	20,035	20,215
All other fees	-	-
	<u>\$ 277,264</u>	<u>\$ 257,085</u>

(1) Includes professional services rendered for the audit of the Company's annual financial statements and review of financial statements included in Forms 10-Q, or services normally provided in connection with statutory and regulatory filings (i.e., attest services required by FDICIA or Section 404 of the Sarbanes-Oxley Act), including out of pocket expenses.

(2) Tax fees include the following: preparation of federal and state tax returns and assistance with calculating estimated tax payments.

PROPOSAL NO. 5 SHAREHOLDER PROPOSAL

In accordance with SEC rules, we have set forth below a non-binding shareholder proposal received by the Company. If the Proponent (or a representative of the Proponent who is qualified under state law) is present at the annual meeting and submits the proposal for a vote, then the proposal will be voted on at the annual meeting. As explained below in our statement of opposition, our Board unanimously recommends that you vote "**AGAINST**" the shareholder proposal.

The Proponent has advised the Company that he is the beneficial owner of 13,000 shares of Company common stock, representing less than 0.2% of the Company's outstanding shares. Information regarding Proponent's name and address will be furnished upon receipt by the Corporate Secretary of an oral or written request for that information.

The Proponent's proposal contains assertions about the Company and other matters that the Company believes are incorrect. All statements contained in the shareholder proposal and supporting statement are the sole responsibility of the Proponent and the Company disclaims responsibility for the content of the proposal and the supporting statement. Our Board of Directors unanimously recommends that you vote "**AGAINST**" the following proposal.

Stockholder Proposal

RESOLVED that the shareholders of Embassy Bancorp, Inc ("EMYB") hereby recommend that the Board of Directors take all necessary steps to promptly sell Embassy Bancorp, Inc.

Supporting Statement

The Stockholder believes Embassy's assets would be worth more to an acquirer than Embassy is likely to achieve on its own in the market.

The bank's under performance is evidenced by its 0.61% Return on Assets. The Company's recent subpar returns have been caused by poor matching of asset/liability durations which an acquirer could easily rectify.

Potential cost saves could also be achieved. For example, the costs of the corporate headquarters which is rented from Red Bird Associates, (owned by Embassy's officers and directors) could be reduced or eliminated. In 2023, the rental expense was \$624,971. It should be noted that Northampton County has assessed the property at \$2,204,600-several hundred thousand dollars less than the value of the 5 year lease. Shareholders are concerned that there is a potential conflict of interest that might interfere with the need for an immediate sale versus the desire of Red Bird whose interests would be to wait until the five year lease renews on March 1, 2027.

EMYB stockholders would be best served if the company and its assets were sold as soon as possible for the best available price.

Please vote FOR this proposal.

Board of Directors Statement in Opposition

The board of directors unanimously recommends a vote “**AGAINST**” the shareholder proposal for the following reasons:

- A sale of the Company “as soon as possible” would not be in the best interests of the Company or its shareholders.
- While the Company’s (and many other community banks’) return on average assets (“ROA”) has been negatively impacted by the unprecedented rise in the Fed Funds rate and sustained high-interest rate environment, the Company continues to outperform its local and national peers in many other key financial metrics.
- A sale of the Company “as soon as possible” would undermine our mission to provide highly unique personalized, efficient, and responsive banking services to the Lehigh Valley community.

The Bank For the Lehigh Valley. Since the founding of Embassy Bank in 2001 by local bankers and business leaders, the Company’s board of directors and management has been focused on building a best-in-class independent community bank servicing businesses, nonprofits, and families in the Lehigh Valley, while offering a reasonable return to our shareholders. Our leadership team’s unique knowledge of the local markets, together with a one-of-a-kind banking culture that has been meticulously developed over more than two decades, has enabled the Company to not only endure, but prosper, and grow from \$20.8 million in assets in 2001 to nearly \$1.7 billion in 2024. Also, throughout this period, we faced unprecedented global challenges such as 9/11, the Great Recession, the Pandemic, as well as the monumental market rate adjustments, all while consistently outperforming our Pennsylvania and national peers in key financial metrics, and not relying on any government assistance programs, like TARP.

2024 Performance Benchmark Data*				
	Embassy Bank	PA Peer Group	National Benchmark	Embassy Outperforms
Net Interest Margin (FTE) (%)	2.21	3.00	3.40	
Cost of Funds (%)	1.86	2.18	2.15	✓
Net Overhead (%)	1.36	1.84	1.96	✓
Efficiency Ratio (%)	66.79	69.62	66.97	✓
Assets per Employee (\$000)	15,221	7,111	7,101	✓
Nonperforming Assets to Total Assets (%)	0.14	0.43	0.30	✓
Noncurrent Loans to Total Loans (%)	0.04	0.46	0.35	✓
Return on Average Assets (%)	0.64	0.74	0.88	
Return on Average Equity (%)	10.27	9.00	9.19	✓

Figures Based on Median Values, banks with assets of \$100M to \$5B.

Source: S&P Global Market Intelligence/Velligan-Blaxall Consultants, LLC.

Benchmark: Stock banks across the U.S. Peer Group: banks headquartered in PA.

* Embassy Bank data. Refer to the Company's 10-K Filing for Embassy Bancorp, Inc. data.

We are certainly proud of our historical financial performance. Our board and executive management team are keenly aware of our ROA. These singular ratios, however, cannot be looked at in a vacuum, but rather are the result of several converging factors. As a bit of important historical perspective, our net income of \$10.4 million and \$12.7 million for the years ended December 31, 2024, and 2023 actually represent the sixth and fourth, respectively, most profitable years in the Company’s 23-year history. And also, as an important bit of historical perspective, since the implementation of government stimulus measures during the COVID 19 pandemic in March 2020, through March 2022, our deposits grew from \$1.048 billion to \$1.507 billion, a staggering \$459 million, or approximately 44%. Importantly, during this same two-year period, the average federal funds effective rate was a minuscule 0.09%. Even with our industry leading low cost of funds, which were at 0.57% for the second quarter of 2020, we were effectively losing money by just holding cash in overnight funds and thus it was imperative for us to reinvest the liquidity from our deposits into higher yielding assets. We did just that, increasing our loans outstanding over this two-year period by \$72.5 million and using a portion of the excess to invest in available for sale securities. These loans and investments were made in a historically low-rate environment. Our loans made during this period, much like our overall portfolio, were primarily fixed rate and of a longer duration. Similarly, the securities we invested in were largely government-backed mortgage-backed securities, which allowed for low credit risk and a higher yield but were also of a relatively longer duration. This deployment of liquidity in loans and investments allowed us to maintain an overall yield on loans of 3.59% and yield on available for sale securities of 1.81% through the quarter ended March 2022. The returns on these loans and investments importantly supplemented our capital ratios during this period of rapid deposit growth and therefore overall asset growth.

Commencing in March 2022 there was an unprecedented 5.25% increase in the Fed Funds rate over a 16-month period in response to what turned out to be persistent inflationary pressures despite comments made by the Federal Reserve Chairman and the Secretary of the Treasury in late 2021 that such inflation would not persist but would be “transitory” in nature. This dynamic started

what was in essence an industry-wide interest rate battle, that still persists today, to simply retain existing deposit levels, let alone grow deposits. We are extraordinarily proud that from March 2022 to December 2024, we not only just retained deposits, but we also increased them from the aforementioned \$1.507 billion to \$1.553 billion, an increase of \$46 million, or 3%, primarily attributed to adding new household accounts and business customers.

Our core philosophy is to not sell, in any form, the loans we have originated, regardless of the prevailing interest rate environment at any given time or the duration of the loans. We are immensely proud of our strong historical loan to deposit ratio and level of loans to total assets, which are consistently above our national and state peers. At December 31, 2024, our loans make up just over 74% of our total assets. Further, it has been our philosophy to supplement our loans with purchases of low credit risk available for sale securities. The sustained high-interest rate environment resulting from such persistent inflation has negatively impacted the fair value of our, and many other community banks' loan and investment portfolios. With our investment portfolio being characterized for accounting treatment as available for sale, the unrealized losses on this portfolio are captured in unrealized losses on the balance sheet. While we continue to believe that this unrealized loss position is temporary and primarily attributable to the rapid rise in interest rates following our purchase of those investment securities, management and the board continue to evaluate various balance sheet optimization strategies in order to mitigate the impact of the unrealized loss position in the portfolio and restore the Company to its historical profitability. Those strategies may include holding securities to maturity to avoid any loss of capital and/or selling lower yield, underwater investment securities at a loss in order to redeploy such funds into higher yielding loans and securities or balance sheet hedges on new asset growth.

All of these factors have temporarily negatively impacted our ROA. However, in an environment over the past five years where competitors were shuttering branches in search of "operational efficiencies" and even limiting lending to their communities in order to conserve capital, we remained a stalwart supporter of the Lehigh Valley community, continuing to grow the balance sheet with strong local lending through local deposit growth. Importantly, because the Company's capital and liquidity positions remain sound and asset quality remains strong, the Company need not act in haste and can be deliberate in its selection of the best strategy for addressing our cost of funding levels, perceived balance sheet duration misalignment and return ROA back to historical levels. Importantly, our balance sheet is currently designed for a lowering interest rate environment. The Company is liability sensitive, which means that if interest rates fall, interest income will fall slower than interest expense and net interest income will likely increase. Recent economic indicators suggest that our patience will be rewarded, as our cost of funds, already well below our peers, appears to have peaked and is now trending downwards and our net interest margin is expanding, each of which is expected to drive an increase in ROA and value to our shareholders.

Adoption of the Proposal Could Negatively Impact Shareholder Value. The board unanimously believes that approving the proposal to "promptly" take steps to "sell" the Company could create significant uncertainty with respect to the Company's future, which would undermine the Company's relationship with its customers, employees and the communities we serve, and significantly erode the value created over the last twenty-three years of strong financial performance.

The board believes a decision to sell is the single most important decision in a company's lifecycle and should be made only after careful consideration of all relevant factors, including the impact of the decision on all of the Company's stakeholders. Further, the board, with its institutional knowledge of the Company and the benefit of receiving the input and advice of the executive management team and its financial and legal advisors, is uniquely positioned to undertake such an evaluation and make an informed decision as to whether a sale is in the best interests of the Company.

In this regard, the board is continuously evaluating alternatives available to the Company for driving long-term shareholder value. As part of its strategic planning process, the Company's board and management periodically review and assess strategic opportunities and challenges faced by the Company as a relatively smaller community bank with a limited trading market that does not originate loans simply to sell them into the secondary market. From time to time, and most recently in the first quarter of 2025, members of management of the Company meet with financial advisors experienced in bank mergers and acquisitions in order to remain apprised of current market conditions and understand the strategic alternatives available to the Company.

Conflict of Interest Concerns are Unwarranted. The Proponent's suggestion that members of the board of directors or management team may be financially motivated to delay the implementation of a strategic initiative, such as a sale of the Company, due to their ownership in Red Bird Associates LLC ("Red Bird") is unwarranted.

Red Bird is owned by seven (7) individuals, of whom six (6) are members of the Company's board of directors or management. Those same individuals collectively own 1,830,206 shares, or 23.95% of the Company, as of February 28, 2025. As such, their interest in creating additional shareholder value is directly aligned with yours.

As background, Red Bird originally acquired the building that serves as the Company's headquarters from an unaffiliated third party in an arm's length transaction. In connection with that acquisition, Red Bird assumed the lease that had previously been negotiated between the Bank and the unaffiliated seller. Subsequently, rather than enter into a long-term lease with Red Bird, the Company has retained maximum strategic flexibility by limiting renewal terms to five years, and all lease renewals are approved by a majority of the Company's disinterested (i.e., non-Red Bird owner) directors.

With respect to the fairness of the financial terms of the lease to the Company, Proponent misunderstands Pennsylvania real property tax assessment law. In order to determine the implied fair market value of real property for tax purposes, one multiplies the “assessed value” by the “common level ratio” factor. Northampton County has assessed the value of the subject property at \$1,102,300 and the common level ratio factor is currently 5.49. Therefore, proper application of the common level ratio to the assessed value of the property for real property tax purposes implies a fair market value of \$6.1 million, not \$2,204,600 as the Proponent states. This implied fair market value is supported by the fact that the property was appraised in 2016 at \$6.2 million, which value is supported by recent market analyses.

In light of the foregoing, the board believes that the terms of the lease are fair to the Company and that the lease, even if renewed, would not be a material concern to a potential strategic partner.

Independence is Earned. Our board and executive management team understand that we must earn our right to remain independent every day. Since the Bank’s inception, the board’s philosophy has been that, by running the Bank with a view toward the long term, only good things will happen for the Bank’s customers, team members, shareholders, and the Lehigh Valley community. Adherence to that philosophy has served the Company and its stakeholders well and has resulted in a solid history of sustained growth, profitability and increases in dividends for fifteen (15) consecutive years. Our board and executive management team’s commitment to earning this right is further demonstrated by their financial investment collectively having 28.99% beneficial ownership in the Company, as of February 28, 2025.

In charting the Company’s path forward, our board will continue to seek advice from its financial and legal advisors, evaluate any potential strategic opportunities that may become available to the Company, and continue to conduct its oversight of the Company’s operational execution and capacity for continued performance improvement consistent with its fiduciary obligations under Pennsylvania law.

The Board of Directors unanimously recommends that you vote “**AGAINST**” the shareholder proposal.

REPORT OF AUDIT COMMITTEE

The Audit Committee met four times during 2024. The Audit Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended December 31, 2024 with the Company’s management. In addition, the Committee has discussed with Baker Tilly US, LLP, the Company’s independent registered public accounting firm, the matters required to be discussed with the auditors, under PCAOB AS 1301, which include, among other items, matters related to the conduct of the audit of the Company’s financial statements. The Audit Committee has also received the written disclosures and the letter from Baker Tilly US, LLP required by PCAOB Rule 3526, and has discussed with Baker Tilly US, LLP its independence from the Company and its management with regard to all services provided.

The Audit Committee has considered whether the services rendered by Baker Tilly US, LLP with respect to audit, audit related, tax and other fees are compatible with maintaining their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements of the Company for the fiscal year ended December 31, 2024, be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, for filing with the Securities and Exchange Commission.

The Audit Committee has adopted an Audit Committee Charter, the current version of which is available on the Company’s website at www.embassybank.com under “Investor Relations.”

March 7, 2025

John G. Englesson, Chairman
Geoffrey F. Boyer
John C. Pittman
Patti Gates Smith
John T. Yurconic

EXHIBIT D

March 26, 2025

Re: Embassy Bancorp, Inc. - Shareholder Proposal

Steven Buckman

VIA: Email and Federal Express

Dear Mr. Buckman:


Pursuant to SEC Rule 14a-8, enclosed please find Embassy Bancorp, Inc.'s statement in opposition to your shareholder proposal. We ask that you consider withdrawing your proposal in light of the information provided in Embassy's counterstatement. Unless earlier withdrawn, your proposal and the enclosed statement in opposition will be included in Embassy's definitive proxy statement, which is expected to be filed with the Securities and Exchange Commission on or about April 28, 2025. Please note that Embassy has elected to omit your name and e-mail address from your proposal, as permitted by SEC Rule 14a-8(l)(1); however, the remainder of your submission is unchanged.

The annual shareholder meeting is expected to be held virtually on June 18, 2025. In order to ensure an efficient meeting, we invite you to submit an audio recording describing your shareholder proposal. If timely received, your recording will be played during the annual meeting and prior to the vote on your proposal. This audio recording must be a maximum of three minutes and must be received no later than 4:00 p.m., Eastern Time, on June 16, 2025.

If you have any questions regarding the foregoing, please contact the undersigned at (717) 308-9633 or Thank you.

Sincerely,

PILLAR+AUGHT

By: 
Kenneth J. Rollins

cc: David M. Lobach, Jr., Chairman, President & CEO

From: Steven Buckman < >
Date: March 26, 2025 at 4:15:05 PM EDT
To: Ken Rollins < >
Subject: Re: Embassy Bancorp, Inc.

Consider it received. Just reading it now. We'll see how the voting goes.

My initial reaction is that you cherry picked your own peer group which is not reflective of reality.

Since sending out this proposal, I have spent considerable time researching the Red Bird issue. I will hold off what I learned until next year's proxy. The conflict is real and as the lease renews in 2027, I will renew and update my focus on this issue.as the time approaches. I wish I knew then what I know now.

Steven Buckman

On Wednesday, March 26, 2025 at 03:09:13 PM CDT, Ken Rollins < >
wrote:

Also, I ask that you kindly confirm your receipt of our transmittal letter.

Thank you.

Kenneth J. Rollins

PILLAR+AUGHT®

4201 E. Park Circle • Harrisburg, PA 17111

Office: 717.308.9910

pillaraught.com

From: Ken Rollins < >
Date: Wednesday, March 26, 2025 at 4:00 PM
To: Steven Buckman < >
Subject: Re: Embassy Bancorp, Inc.

Mr. Buckman,

Please see the attached correspondence regarding your shareholder proposal. A hard copy is being sent via Federal Express.

If you wish to make a statement in support of your proposal, kindly provide an audio recording (max 3 minutes) to be played at the appropriate time during the meeting.

Feel free to reach out to me with any questions.

Thank you.

Kenneth J. Rollins

PILLAR+AUGHT®

4201 E. Park Circle • Harrisburg, PA 17111

Office: 717 308 9910

pillaraught.com
