



**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

**FENTURA FINANCIAL, INC.
175 North Leroy Street
P.O. Box 725
Fenton, Michigan 48430**

The Fentura Financial, Inc. 2013 Annual Shareholders Meeting will be held at the Fenton United Methodist Church, Truran Hall, 119 South Leroy Street, Fenton, Michigan, Wednesday, April 24, 2013, at 10:00 a.m. for the following purposes:

1. Elect three directors; William H. Dery, Thomas P. McKenney and Brian P. Petty
2. Ratify the selection of Rehmann Robson, LLC as Fentura's independent registered public accounting firm for 2013; and
3. Transact any other business that may properly come before the meeting or any adjournment of the meeting.

In the event that you have questions regarding the financial performance or financial condition of Fentura Financial, Inc., a special mailing card has been included for your individual use. Please address your questions to any individual member of management or the Board of Directors and return the card to us at your earliest convenience. If you would like a personal response by phone, email or letter, please include your name and contact information.

The Board of Directors has fixed the close of business on March 1, 2013, as the record date for the purpose of determining shareholders who are entitled to notice of, and to vote at, the meeting and any adjournment of the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'James W. Distelrath', written in a cursive style.

James W. Distelrath
Secretary

Fenton, Michigan
March 16, 2013

IMPORTANT

All shareholders are cordially invited to attend the meeting. WHETHER OR NOT YOU PLAN TO ATTEND IN PERSON, YOU ARE URGED TO DATE AND SIGN THE ENCLOSED PROXY FORM AND RETURN IT PROMPTLY IN THE POSTAGE PAID ENVELOPE PROVIDED. This will assure your representation and a quorum for the transaction of business at the meeting. If you do attend the meeting in person and if you have submitted a proxy form, it will not be necessary for you to vote in person at the meeting. However, if you attend the meeting and wish to change your proxy vote, you will be given an opportunity to do so.

PROXY STATEMENT

FENTURA FINANCIAL, INC.

175 North Leroy Street
P.O. Box 725
Fenton, Michigan 48430
Telephone: (810) 750-8725

ANNUAL MEETING OF SHAREHOLDERS

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Fentura Financial, Inc. (the "Corporation") to be voted at the annual meeting of its shareholders to be held at the Fenton United Methodist Church, Truran Hall, 119 South Leroy Street Fenton, Michigan, on Wednesday, April 24, 2013, at 10:00 a.m., eastern standard time, and at any adjournment of the meeting, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This proxy statement and form of proxy are first being sent to shareholders on or about March 23, 2013.

If a proxy in the accompanying form is properly executed, duly returned to the Corporation, and not revoked, the shares represented by the proxy will be voted at the annual meeting of the Corporation's shareholders and at any adjournment of that meeting. Where a shareholder specifies a choice, a proxy will be voted as specified. If no choice is specified, the shares represented by the proxy will be voted for election of all nominees of the Board of Directors and for the ratification of Rehmann Robson, LLC as our independent auditors for 2013. The Corporation's management does not know of any other matters to be presented at the annual meeting. If other matters are presented, the shares represented by proxy will be voted at the discretion of the persons designated as proxies, who will take into consideration the recommendations of the Corporation's management.

Any shareholder executing a proxy in the enclosed form has the power to revoke it by notifying the Secretary of the Corporation in writing at the address indicated above at any time before it is exercised, or by appearing at the meeting and voting in person.

Solicitation of proxies is being made by mail. Directors, officers, and regular employees of the Corporation and its subsidiaries may also solicit proxies in person or by telephone without additional compensation. In addition, banks, brokerage firms, and other custodians, nominees, and fiduciaries may solicit proxies from the beneficial owners of shares they hold and may be reimbursed by the Corporation for reasonable expenses incurred in sending proxy material to beneficial owners of the Corporation's stock. The Corporation will pay all expenses of soliciting proxies.

Boards of Directors

The names of directors of the Corporation and the subsidiary bank, The State Bank (TSB), and Livingston Community Bank, a division of TSB (the "Affiliate Banks"), are set forth below.

FENTURA FINANCIAL, INC.

Thomas P. McKenney (Chairman)
*Owner/President & Attorney
McKenney & McKenney*

William H. Dery M.D.
*Medical Residency Program
Mid-Michigan Medical Center*

Frederick P. Dillingham
*President
Livingston Business
Development Associates*

Donald L. Grill
*Retired President & CEO - Fentura
and Retired CEO of The State Bank*

Randy D. Hicks M.D.
*President – Regional Medical
Imaging, P.C.*

Ronald L. Justice
*President & CEO
The State Bank and Fentura*

Brian P. Petty
*Owner & President
Fenton Glass Service, Inc.*

Ronald K. Rybar
*President
The Rybar Group*

JoAnne M. Shaw
*President
The Coffee Beanery*

THE STATE BANK

Thomas P. McKenney (Chairman)
*Owner/President & Attorney
McKenney & McKenney*

William H. Dery M.D.
*Medical Residency Program
Mid-Michigan Medical Center*

Frederick P. Dillingham
*President
Livingston Business
Development Associates*

Donald L. Grill
*Retired President & CEO - Fentura
and Retired CEO of The State Bank*

Randy D. Hicks M.D.
*President – Regional Medical
Imaging, P.C.*

Craig Johnson
*SVP & Senior Lender -
The State Bank*

Ronald L. Justice
*President & CEO
The State Bank and Fentura*

Brian P. Petty
*Owner & President
Fenton Glass Service,*

Ronald K. Rybar
*President
The Rybar Group*

JoAnne M. Shaw
*President
The Coffee Beanery*

**LIVINGSTON COMMUNITY
BANK**

Kenneth E. Burchfield (Chairman)
*Senior Partner & Attorney
Burchfield, Park, & Pollesch, PC*

Frederick P. Dillingham
*President
Livingston Business
Development Associates*

Patrick M. Hanniford
*Certified Public Accountant
Pfeffer, Hanniford, Palka*

Ronald L. Justice
*President & CEO
The State Bank*

Steven T. Krause
*Owner & President
Best Storage*

Joseph J. Skandalaris, D.O.
*Doctor of Internal Medicine
Internal Medical Specialist*

Roberta S. Balon-Vaughn
*Owner
Fenton Legal Services, PC*

Patricia L. Wylie, D.D.S.
*Partner and Dentist
Family Dental Care, PLLC*

PROPOSAL 1 - 2013 ELECTION OF DIRECTORS

The Corporation's Board of Directors is divided into three classes. Each year, on a rotating basis, the terms of office of the directors in one of the three classes expire. Directors are elected for a three year term. The directors whose terms expire at the annual meeting ("Class I Directors") are William H. Dery, Thomas P. McKenney and Brian P. Petty. The Board has nominated these same individuals for reelection as Class I Directors. If elected, the terms of these directors will expire at the 2016 annual meeting of shareholders.

Except for those individuals nominated by the Board of Directors, no persons may be nominated for election at the 2013 annual meeting. The Corporation's Bylaws require at least 120 days prior written notice of any other proposed shareholder nominations. No nominations were received from a shareholder prior to the required written notice date.

The proposed nominees are willing to be elected and to serve. In the event that any nominee is unable to serve or is otherwise unavailable for election, which is not now contemplated, the incumbent Board of Directors may or may not select a substitute nominee. If a substitute nominee is selected, all proxies will be voted for the person so selected. If a substitute nominee is not so selected, all proxies will be voted for the election of the remaining nominees. Proxies will not be voted for a greater number of persons than the number of nominees named.

A vote of shareholders holding a plurality of shares voting is required to elect directors. For the purpose of counting votes on this proposal, abstentions, broker nonvotes, and other shares not voted will not be counted as shares voted. Abstentions and broker non-votes are counted for the purpose of determining whether a quorum is present.

The Nomination Process

Director nominees are considered and must be recommended to the full Board by the Director Selection Committee. When considering a potential candidate for membership on the Corporation's Board, the Committee seeks to identify candidates who will meet the challenges and needs of the Board. The Committee considers, among other qualifications, demonstrated character and judgment, diversity, geographic representation, professional credentials, recognition in the marketplace, and experience in business and the financial industry. While the Committee considers diversity among the various qualifications, it has not adopted a formal diversity policy. In addition, the Committee has not established specific minimum age, education, and years of business experience or specific types of skills for potential candidates, but, in general, expects qualified candidates will have ample experience and a proven record of business success and leadership. In general, the Board requires that each of its members will have the highest personal and professional ethics, integrity and values; will consistently exercise sound and objective business judgment; and will have a comfort with diversity in its broadest sense. In addition, it is anticipated that the Board as a whole will have individuals with significant appropriate senior management and leadership experience, a comfort with technology, a long-term and strategic perspective, and the ability to advance constructive debate. It is considered important for the Board as a whole to operate in an atmosphere where the chemistry of the Board is collaborative and constructive in effectively representing the interests of the shareholders.

The Committee will consider shareholder nominations for directors submitted in accordance with the procedure set forth in Article III, Section 15(c) of the Corporation's Bylaws. The procedure provides that a notice relating to the nomination must be given in writing to the Corporation not later than 120 days prior to the annual meeting. Such notice must contain identification information, business experience and background information with respect to the proposed nominee and contain information with respect to the proposed nominee's share ownership. There are no differences in the manner in which the Committee

evaluates a candidate that is recommended for nomination for membership on the Corporation's Board by a shareholder. As noted, the Board has appropriately considered nominations from the Corporation's shareholders in connection with the annual meeting.

Upon receipt of information concerning a shareholder proposed candidate, the Committee assesses the Board's needs, primarily whether or not there is a current or pending vacancy or a possible need to fulfill by adding or replacing a director, and then develops a director profile by comparing the current state of Board characteristics with the desired state and the candidate's qualifications. The profile and the candidate's submitted information are provided to the Board for discussion. Similarly, if at any time the Committee determines there may be a need to add or replace a director, the Committee develops a director profile by comparing the current state of Board characteristics with the desired state. If no candidates are apparent from any source, the Committee will determine the appropriate method to conduct a search. The Committee has, to date, not paid any third party fee to assist in identifying and evaluating nominees.

With regard to the nominations of William H. Dery, Thomas P. McKenney and Brian P. Petty, as directors of the Corporation, each of the nominees was recommended by non-management directors.

**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE
FOR ELECTION OF ALL NOMINEES AS DIRECTORS**

STOCK OWNERSHIP INFORMATION

Stock Ownership of Directors, Executive Officers

At the close of business on March 1, 2013, the record date for determination of the shareholders entitled to vote at the annual meeting, the Corporation had issued and outstanding 2,456,326 shares of its common stock, the only class of voting securities presently outstanding. Each share entitles its holder to one vote on each matter to be voted upon at the meeting.

In general, "beneficial ownership" includes those shares a director or officer has the power to vote or transfer, and stock options that are exercisable currently or within 60 days and which have a strike price below the current trading price ("in the money"). The table below shows the beneficial stock ownership of the Corporation's directors and executive officers as of March 1, 2013.

Name of Beneficial Owner	Shares Beneficially Owned ⁽¹⁾	Percent of Outstanding ⁽²⁾
William H. Dery (Director).....	91,192 ⁽³⁾	3.71%
Frederick P. Dillingham (Director).....	23,164 ⁽⁴⁾	*
James W. Distelrath (Executive Officer).....	5,900 ⁽⁴⁾	*
Donald L. Grill (Director).....	11,067 ⁽⁴⁾	*
Randy D. Hicks (Director).....	6,037 ⁽⁴⁾	*
Craig L. Johnson (Executive Officer).....	-	*
Ronald L. Justice (Director, Executive Officer)	3,521 ⁽⁴⁾	*
Thomas P. McKenney (Director)	27,587 ⁽⁴⁾	1.12%
Brian P. Petty (Director).....	48,351 ⁽⁴⁾	1.97%
Ronald K. Rybar (Director)	70,103 ⁽⁵⁾	2.85%
JoAnne M. Shaw (Director)	10,601 ⁽⁴⁾	*
Directors and Executive Officers as a group (10 persons)	297,523	12.11%

- (1) The number of shares in this column includes shares owned directly or indirectly, through any contract, arrangement, understanding or relationship, or that the indicated beneficial owner otherwise has the power to vote, or direct the voting of, and/or has investment power. This includes shares allocated to the person under the Corporation's Employee Stock Ownership Plan (ESOP). This column includes shares that may be acquired pursuant to stock options that are exercisable within 60 days and "in the money".
- (2) The symbol * shown in this column indicates ownership of less than 1%.
- (3) Mr. Dery's shares include 50,608 shares held by him individually, 26,227 shares held by his wife individually and 14,267 shares held individually by his two children.
- (4) Ownership and voting rights of all shares are joint with spouse or individually held.
- (5) Mr. Rybar's shares include 42,861 shares held by The Rybar Group and 27,242 held jointly with his spouse.

THE CORPORATION'S BOARD OF DIRECTORS

Biographical information concerning the current directors and the nominees who are nominated for election to the Board of Directors at the annual meeting is presented below. Except as otherwise indicated, all directors and nominees have had the same principal employment for over five years.

Nominees for 3-Year Terms Expiring in 2016

William H. Dery, age 62, was appointed as a Director of The State Bank and as a Director of the Corporation effective April 2009. Dr. Dery is a Class I Director. Dr. Dery is Director of the Midland Family Medicine Residency Program at Mid-Michigan Medical Center in Midland, Michigan. Mr. Dery's medical background provides a unique perspective on the Compensation Committee which deals with employee benefits and in loan deliberations regarding loans to professionals. Mr. Dery's father, grandfather and great grandfather all previously served as directors of The State Bank.

Thomas P. McKenney, age 61, has been a Director of the Corporation since 1992 and was a Director of The State Bank from 1991 to 2003, serving as Chairman of The State Bank's Board from 2001 to 2003. Mr. McKenney was appointed Chairman of the Board of Directors of the Corporation in November, 2011. Mr. McKenney was appointed Vice Chairman of the Corporation in May, 2003, and re-appointed to The State Bank board in 2009. Mr. McKenney is a Class I Director. Mr. McKenney is an attorney with a private practice located in Holly, Michigan. Mr. McKenney is an accomplished and experienced attorney. He provides a unique legal and negotiating perspective to board deliberations, and his experience with estate planning assists him in his role as head of the Trust Committee at The State Bank.

Brian P. Petty, age 54, was reappointed a Director of the Corporation effective September, 2002. Mr. Petty previously served as a Director of the Corporation from March of 1995 to December of 2000. Mr. Petty has served as a Director of The State Bank since January of 1994 and has served as Chairman from 2003 to 2009. Mr. Petty was appointed Vice Chairman of the Board of Directors of the Corporation in November, 2011. Mr. Petty is a Class I Director. Mr. Petty is the owner and President of Fenton Glass Service, Inc., which sells and installs glass for automobile, residential, industrial and specialty uses. Mr. Petty provides the board with a unique perspective as a successful small business owner. He also provides a community perspective to his role as a director of The State Bank and Fentura Financial Inc. having served on numerous boards in the Fenton area.

Directors with Terms Expiring in 2014

Ronald L. Justice, age 48, was appointed to the Board of Directors of the The State Bank effective February 2011 and to the Board of Directors of the Corporation effective April 2012. Mr. Justice is a Class II Director. Mr. Justice is President and CEO of Fentura Financial and The State Bank. Mr. Justice has served in various capacities in his career with the Corporation, which began in 1985, including Chief Financial Officer, Chief Operating Officer, Chief Retail Officer and President of 2 former subsidiary Banks.

Ronald K. Rybar, age 56, was appointed to the Board of Directors of The State Bank and the Corporation, effective October 2010. Mr. Rybar is a Class II Director. Mr. Rybar is founder and President of The Rybar Group, a health care consulting company. Mr. Rybar's experience in public accounting and hospital finance qualify him to serve as a financial expert and Chairman of the Corporation's and Bank's Audit Committees.

JoAnne M. Shaw, age 69, was appointed as a Class II Director of the Corporation in September, 2010. Ms. Shaw also serves as a director of The State Bank. Ms Shaw, is the founder and President of

The Coffee Beanery, Ltd., a company that franchises nationally and internationally. Ms. Shaw's experience in the business world is uniquely equipped to assist Fentura Financial and The State Bank in deliberations regarding the business models for consideration of credit requests.

Directors with Terms Expiring in 2015

Frederick P. Dillingham, age 65, was appointed to the Board of Directors of the Corporation, effective June, 2011. He has served on the Board of Livingston Community Bank since inception. Mr. Dillingham is a Class III Director and President of Livingston Business Development Associates. Mr. Dillingham provides substantial financial and analytical perspective to the analysis of company and bank performance. Mr. Dillingham provides the board with a unique perspective as a successful small business owner, and politician. He also provides a community perspective to his role as a director of The State Bank and Livingston Community Bank having served on numerous boards in the Livingston County area.

Donald L. Grill, age 65, has been a Director of the Corporation and The State Bank since 1996. Mr. Grill is a Class III Director. Mr. Grill joined the Corporation as President and Chief Executive Officer in 1996, retiring May 1, 2012. From 1976-1983, Mr. Grill served as Executive Vice President and Senior Lender at Key State Bank in Owosso, Michigan. From 1983-1996, Mr. Grill served in several capacities at First of America Bank Corporation including President and Chief Executive Officer of First of America Bank-Frankenmuth. Mr. Grill served previously as a Director of West Michigan Community Bank until the bank was sold in January of 2011 and Livingston Community Bank.

Randy D. Hicks, age 55, was appointed to the Board of Directors of the Corporation, effective August, 2011. Dr. Hicks is a Class III Director and Founder and President of Regional Medical Imaging P.C. Dr. Hicks provides substantial financial and analytical perspective to the analysis of company and bank performance. Dr. Hicks provides the board with a unique perspective as a successful business owner, and has been involved in various commercial real estate ventures throughout his career.

Directors Attendance at Meetings

During the fiscal year ended December 31, 2012, the Board of Directors of the Corporation held a total of 12 regular meetings. Various committees of the Board held meetings as needed. Each director attended at least 75 percent of the total meetings of the Board of Directors and meetings of the committees on which he or she served. The Corporation also encourages all members of the Board to attend the Corporation's annual meeting of shareholders each year.

Separate Chairman and Chief Executive Position and Board's Oversight of Risk

Since the inception of the holding company in 1987, the Corporation has chosen to have independence between board leadership and the bank leadership. Accordingly, board leadership positions including the Chairmanship of the board and Audit Committee have always been held by outside or non-management directors. The Chairman's position provides meaningful and appropriate oversight in fulfilling the fiduciary responsibilities of the board and representing the interests of the shareholders.

Responsibilities for managing the various types of risks inherent in the Corporation and the Banks are spread among the holding company and bank boards and committees, various members of management and management committees. As a separately chartered institution, The State Bank is authorized and empowered by Michigan and federal banking law and regulation to operate autonomously as a commercial bank. Through a disciplined structure of board delegated authority, individuals and committees are empowered to monitor and control operational risks, credit risks, interest rate risks, etc. Internal and external testing by outside consultants is utilized to determine compliance with risk control procedures. Affiliate bank boards are heavily involved in monitoring reports, interacting with

management, and communicating with external consultants. Summary reports are provided to the holding company board for review and monitoring. Importantly, holding company directors also serve on bank boards which means that holding company directors are intimately aware of, and involved in, risk management at the bank and holding company levels.

At the holding company level, the Audit Committee reviews with management, the internal auditor and the independent auditor, the Corporation's financial risks, the Corporation's risk management process, any major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of any material control deficiencies.

Communication with the Corporation's Board of Directors

Shareholders may communicate with members of the Corporation's Board by mail addressed to the Board of Directors, a specific member of the Board, or to a particular committee of the Board at 175 North Leroy Street, P.O. Box 725, Fenton, Michigan 48430-0725.

Director Compensation

The Corporation and Affiliate Bank directors are compensated in cash retainer fees or through participation in the stock purchase plan. Each director of the Corporation is paid an annual retainer fee. In 2012, the annual retainer was \$12,000. The Chairman of the Board receives an additional annual \$2,000 retainer fee. The Chairman of the Audit Committee receives an additional \$500 for each Audit Committee meeting attended and the remaining Audit Committee members receive \$250 for attending each Audit Committee meeting. Directors of the Corporation who also serve on Affiliate Bank Boards received additional compensation in connection with their Affiliate Bank Board service during 2012.

Stock option grants are available to directors who are not employees of the Corporation under the 1996 Nonemployee Director Stock Option Plan. However, no options were granted to directors during the year 2012 and no options have been granted to directors since 1999.

Directors of the Corporation and the Subsidiary Banks may use director cash retainer fees to purchase shares of the Corporation issued by the Corporation at fair market value under the Corporation's Director Stock Retainer Plan. Directors may also use other personal funds or cash retainer fees to purchase shares under the Fentura Financial, Inc. Stock Purchase Plan. This plan permits all employees of the Corporation and Subsidiary Banks, as well as directors, to purchase shares at fair market value through regular payroll or fee deductions and also through lump sum payments. The maximum annual dollar amount of purchases per individual through payroll or fee deductions is \$10,000 and the maximum annual dollar amount of lump sum purchases is also \$10,000, for a total annual maximum of \$20,000.

2012 DIRECTOR COMPENSATION (\$)

Name	Fees Paid in Cash (1)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	Fees Paid in Stock(1)	Total
William H. Dery	-	-	-	-	-	\$16,500	\$16,500
Frederick P. Dillingham	-	-	-	-	-	\$19,200	\$19,200
Donald L. Grill	\$4,586	-	-	-	-	\$4,580	\$9,167
Ronald L. Justice ⁽³⁾	-	-	-	-	-	-	-
Randy D. Hicks	\$8,252	-	-	-	-	\$8,248	\$16,500
Thomas P. McKenney	\$9,000	-	-	-	-	\$9,000	\$18,000
Brian P. Petty	-	-	-	-	-	\$17,250	\$17,250
Ronald K. Rybar	-	-	-	-	-	\$18,000	\$18,000
JoAnne M. Shaw	\$8,625	-	-	-	-	\$8,625	\$17,250

(1) Amounts for Messrs. Petty, Rybar and Ms. Shaw include fees paid as members of the Audit Committee for each meeting attended. Mr. McKenney's fees include the Chairman retainer fee. All amounts include fees paid for attendance at subsidiary board meetings.

(2) Amounts include retainer fees paid by a subsidiary Bank for serving on their Board.

(3) Mr. Justice does not receive compensation for serving as a director of the Corporation or a subsidiary bank.

Code of Ethics

Fentura Financial, Inc. is dedicated to upholding the highest ethical standards and principles throughout our operations. Our Code of Ethics is a product of our commitment to comply with the law and to conduct business ethically while reinforcing values of trust, respect, dignity, and honesty which form the foundation for our relationships with our shareholders, employees, and customers. The Corporation's Board of Directors reaffirmed our Code of Ethics on January 24, 2013. The Code details principles and responsibilities governing professional and ethical conduct for all directors and officers of the Corporation and its Affiliate Banks.

Going beyond the legal requirements for corporate ethics, we require all board members and members of management to sign our Code and to conduct themselves consistent with its requirements. Additionally, the Boards of the Corporation and each Affiliate Bank and all Board Committees are chaired by an independent outside director and, at each Board and Audit Committee session, our outside directors reserve time for discussions without management or management directors present.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

The consolidated financial statements of the Corporation for the year ended December 31, 2012 have been examined by Rehmann Robson, LLC, independent certified public accountants. The Corporation's Audit Committee selects the Corporation's auditors before the end of each calendar year.

The Charter of the Audit Committee provides that the Audit Committee will administer the Corporation's policy regarding the approval of audit and non-audit services. Under that policy, the Audit Committee must pre-approve all engagements of the Corporation's independent auditors. Before the end of the first quarter of each year, the retention of the independent auditors to audit the Corporation's financial statements, including the associated fee, is approved by the Audit Committee. At the same time, the Audit Committee will evaluate other known potential engagements of the independent auditors, including the scope of the work proposed to be performed and the proposed fees, and approve or reject each service, taking into account whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent auditors' independence from management. At each subsequent meeting of the Audit Committee, the Audit Committee will receive updates on the services actually provided by the independent auditors and management may present additional services for approval. The Audit Committee has delegated to the Chairman of the Audit Committee the authority to evaluate and approve engagements on behalf of the Audit Committee in the event that the need arises for pre-approval between Audit Committee meetings. This might occur, for example, if the Corporation was proposing to execute a financing on an accelerated timetable. If the Chairman so approves any such engagements, he/she is required to report that approval to the full Audit Committee at the next Audit Committee meeting.

All Audit-related Fees and Tax Fees provided during 2012 were approved under this policy.

PROPOSAL 2 – RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Audit Committee of the Board of Directors has selected Rehmann Robson, LLC to serve as our independent auditors for 2013. The Board of Directors is asking the shareholders to ratify the appointment of Rehmann Robson, LLC.

In the event our shareholders fail to ratify the selection of Rehmann Robson, LLC, the Audit Committee will consider it as a direction to select other auditors for the subsequent year. Representatives of Rehmann Robson, LLC will be present at the Annual Meeting to answer appropriate questions about their audit. They will also have the opportunity to make a statement if they desire to do so.

The affirmative vote of a majority of votes cast on this proposal, without regard to abstentions or broker non votes, is required for approval of this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE SELECTION OF REHMANN ROBSON, LLC. AS OUR INDEPENDENT AUDITORS FOR THE YEAR 2013.

OTHER INFORMATION

Annual Report

The Corporation will provide a copy of its 2012 Annual Report to any shareholder who asks for it in writing, without charge. Please direct your request to our Secretary, James W. Distelrath, at 175 North Leroy Street, P.O. Box 725, Fenton, Michigan 48430.

Transactions with Certain Interested Parties

The Corporation has Related Party Transactions provisions in its lending policies which require preapproval of any loans to a related party with a subsidiary Bank by a majority of disinterested board members of the Board of Directors. Additionally, the Board reaffirms all debt with related parties at least annually.

Certain directors and officers of the Corporation have had and are expected to have in the future, transactions with the subsidiaries of the Corporation, or have been directors or officers of corporations, or members of partnerships, which have had and are expected to have in the future, transactions with the subsidiaries of the Corporation. All such transactions with officers and directors, either directly or indirectly, have been made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable with persons not related to the lender, and these transactions do not involve more than the normal risk of collection or present other unfavorable features. All such future transactions, including transactions with principal shareholders and other Corporation affiliates, will be made in the ordinary course of business, on terms no less favorable to the Corporation than with persons not related to the Corporation, and will be subject to approval by a majority of the Corporation's independent, outside disinterested directors.

Shareholder Proposals

An eligible shareholder who wants to have a qualified proposal considered for inclusion in the proxy statement for the 2014 Annual Meeting of Shareholders must notify the Corporation's Secretary by delivering a copy of the proposal to the Corporation's offices no later than November 24, 2013.

Expenses of Solicitation

The Corporation pays the cost of preparing, assembling and mailing this proxy-soliciting material. In addition to the use of the mail, proxies may be solicited personally, by telephone or telegraph, or by the Corporation's officers and employees without additional compensation. The Corporation pays all costs of solicitation, including certain expenses of brokers and nominees who mail proxy material to their customers or principals.

The Proxy Statement and Annual Report to Security Holders are available at www.fentura.com.

BY ORDER OF THE BOARD OF DIRECTORS,



James W. Distelrath
Secretary

Dated: March 16, 2013

See enclosed voting (proxy) form please sign and mail promptly.