

PARK NATIONAL CORP /OH/

Form DEF 14A

March 08, 2007

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Park National Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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1) Title of each class of securities to which transaction applies:

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3) Filing Party:

4) Date Filed:

SEC 1913 (11-01)

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PARK NATIONAL CORPORATION

50 North Third Street
Post Office Box 3500
Newark, Ohio 43058-3500
(740) 349-8451

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 16, 2007**

Dear Fellow Shareholders:

The Annual Meeting of Shareholders (the Annual Meeting) of Park National Corporation (Park) will be held at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio, on Monday, April 16, 2007, at 2:00 p.m., Eastern Daylight Saving Time, for the following purposes:

1. To elect five directors, each for a term of three years to expire at the 2010 Annual Meeting of Shareholders.
2. To transact any other business which properly comes before the Annual Meeting or any adjournment.

If you were a shareholder of record at the close of business on February 21, 2007, you will be entitled to vote in person or by proxy at the Annual Meeting.

You are cordially invited to attend the Annual Meeting. Your vote is important, regardless of the number of common shares you own. Whether or not you plan to attend the Annual Meeting in person, please sign, date and return your proxy card. A return envelope, which requires no postage if mailed in the United States, has been provided for your use. Voting your common shares using the enclosed proxy card does not affect your right to vote in person if you attend the Annual Meeting.

By Order of the Board of Directors,

March 7, 2007

DAVID L. TRAUTMAN
President and Secretary

PARK NATIONAL CORPORATION

50 North Third Street

Post Office Box 3500

Newark, Ohio 43058-3500

(740) 349-8451

www.parknationalcorp.com

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 16, 2007

GENERAL INFORMATION

We are sending you this proxy statement and the accompanying proxy card because the Board of Directors of Park National Corporation (Park) is soliciting your proxy to vote at the Annual Meeting of Shareholders (the Annual Meeting) to be held on Monday, April 16, 2007, at 2:00 p.m., Eastern Daylight Saving Time, or at any adjournment thereof. The Annual Meeting will be held at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio. This proxy statement summarizes information that you will need in order to vote.

Mailing

We will mail this proxy statement and the accompanying proxy card on or about March 14, 2007 to all shareholders entitled to vote their common shares at the Annual Meeting. We will also send Park s 2006 Annual Report with this proxy statement. Audited consolidated financial statements for Park and our subsidiaries for the fiscal year ended December 31, 2006 (the 2006 fiscal year) are included in Park s 2006 Annual Report.

Additional copies of Park s 2006 Annual Report and copies of Park s Annual Report on Form 10-K for the 2006 fiscal year may be obtained, without charge, by sending a written request to: David L. Trautman, President and Secretary, Park National Corporation, 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500. Park s Annual Report on Form 10-K for the 2006 fiscal year is posted on the Documents/SEC Filings section of the Investor Relations page of Park s website at www.parknationalcorp.com and is also on file with the Securities and Exchange Commission (the SEC) and available on the SEC s website at www.sec.gov.

Delivery of Proxy Materials to Multiple Shareholders Sharing the Same Address

Periodically, Park provides each registered shareholder at a shared address, not previously notified, with a separate notice of Park s intention to household proxy materials. The record holder notifies beneficial shareholders (those who hold common shares through a broker, financial institution or other record holder) of the householding process. Only one copy of this proxy statement and Park s 2006 Annual Report is being delivered to previously notified multiple registered shareholders who share an address unless Park has received contrary instructions from one or more of the shareholders. A separate proxy card and a separate notice of the Annual Meeting is being included for each account at the shared address.

Registered shareholders who share an address and would like to receive a separate copy of Park s 2006 Annual Report and/or a separate proxy statement for the Annual Meeting, or who have questions

regarding the householding process, may contact Park's transfer agent and registrar, The First-Knox National Bank of Mount Vernon (First-Knox National Bank), by calling 1-800-837-5266, ext. 5208, or forwarding a written request addressed to First-Knox National Bank, Attention: Debbie Daniels, P.O. Box 1270, One South Main Street, Mount Vernon, Ohio 43050-1270. Promptly upon request, a separate copy of Park's 2006 Annual Report and/or a separate copy of the proxy statement for the Annual Meeting will be sent. By contacting First-Knox National Bank, registered shareholders sharing an address can also (i) notify Park that the registered shareholders wish to receive separate annual reports and/or proxy statements in the future or (ii) request delivery of a single copy of annual reports and/or proxy statements in the future if they are receiving multiple copies. Beneficial shareholders should contact their brokers, financial institutions or other record holders for specific information on the householding process as it applies to their accounts.

VOTING INFORMATION

Who can vote at the Annual Meeting?

Only shareholders of record at the close of business on February 21, 2007 are entitled to receive notice of and to vote at the Annual Meeting. At the close of business on February 21, 2007, there were 13,923,994 common shares outstanding and entitled to vote.

Each shareholder is entitled to one vote for each common share held. A shareholder wishing to exercise cumulative voting with respect to the election of directors must notify the President, a Vice President or the Secretary of Park in writing before 2:00 p.m., Eastern Daylight Saving Time, on April 14, 2007. If cumulative voting is requested and if an announcement of such request is made upon the convening of the Annual Meeting by the chairman or the secretary of the meeting or by or on behalf of the shareholder requesting cumulative voting, you will have votes equal to the number of directors to be elected, multiplied by the number of common shares owned by you, and will be entitled to distribute your votes among the candidates as you see fit.

How do I vote?

Whether or not you plan to attend the Annual Meeting, we urge you to vote in advance by proxy. To do so, you may complete, sign and date the accompanying proxy card and return it in the envelope provided.

If you plan to attend the Annual Meeting and vote in person, we will give you a ballot when you arrive. If your common shares are held in the name of your broker, your financial institution or another record holder, you must bring an account statement or letter from that broker, financial institution or other holder of record authorizing you to vote on behalf of such record holder. The account statement or letter must show that you were the direct or indirect beneficial owner of the common shares on February 21, 2007, the record date for voting at the Annual Meeting.

How will my common shares be voted?

Those common shares represented by a properly executed proxy card that is received prior to the Annual Meeting and not subsequently revoked will be voted in accordance with your instructions by your proxy. If you submit a valid proxy card prior to the Annual Meeting but do not complete the voting

instructions on the proxy card, your proxy will vote your common shares as recommended by the Board of Directors, as follows:

FOR the election as Park directors of the nominees listed below under the heading **ELECTION OF DIRECTORS** .

If any other matters are properly presented for voting at the Annual Meeting, the persons named as proxies on the accompanying proxy card will vote on those matters, to the extent permitted by applicable law, in accordance with their best judgment.

May I revoke my proxy?

Yes. You may change your mind after you send in your proxy card by following any one of the following three procedures. To revoke your proxy:

Send in another signed proxy card with a later date, which must be received by Park prior to the Annual Meeting;

Send written notice revoking your proxy to David L. Trautman, Park's President and Secretary, at 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500, which must be received prior to the Annual Meeting; or

Attend the Annual Meeting and revoke your proxy in person if your common shares are held in your name. If your common shares are held in the name of your broker, your financial institution or another holder of record and you wish to revoke your proxy in person, you must bring an account statement or letter from the broker, financial institution or other holder of record indicating that you were the beneficial owner of the common shares on February 21, 2007, the record date for voting.

Attendance at the Annual Meeting will not, by itself, revoke your proxy.

What is the quorum requirement for the Annual Meeting?

Under Park's Regulations, a quorum is a majority of the common shares outstanding. Common shares may be present in person or represented by proxy at the Annual Meeting. Both abstentions and broker non-votes are counted as being present for purposes of determining the presence of a quorum. Generally, broker non-votes occur when common shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the broker has not received voting instructions from the beneficial owner and the broker lacks discretionary authority to vote such common shares on the proposal. Brokers have discretionary authority to vote their clients' common shares on routine proposals, such as the uncontested election of directors, even if they do not receive voting instructions from their clients. They cannot, however, vote their clients' common shares on other non-routine matters without instructions from their clients.

What if my common shares are held in street name ?

If you hold your common shares in street name with a broker, a financial institution or another holder of record, you should review the information provided to you by such holder of record. This information will describe the procedures you need to follow in instructing the holder of record how to vote your street name common shares and how to revoke previously given instructions. If you hold

your common shares in street name, you may be eligible to appoint your proxy electronically via the Internet or telephonically and may incur costs associated with the electronic access or telephone usage.

What if my common shares are held through the Park National Corporation Employees Stock Ownership Plan?

If you participate in the Park National Corporation Employees Stock Ownership Plan (the Park KSOP) and common shares have been allocated to your account in the Park KSOP, you will be entitled to instruct the trustee of the Park KSOP, confidentially, as to how to vote those common shares. If you are such a participant, you may receive your voting instructions card separately. If you give no voting instructions to the trustee of the Park KSOP, the trustee will vote the common shares allocated to your Park KSOP account pro rata in accordance with the instructions received from other participants in the Park KSOP who have voted.

Who pays the cost of proxy solicitation?

Park will pay the costs of soliciting proxies on behalf of the Board of Directors other than the Internet access and telephone usage charges if a proxy is appointed electronically through a holder of record. Although we are soliciting proxies by mailing these proxy materials, directors, officers and employees of Park and our subsidiaries also may solicit proxies by further mailing, personal contact, telephone, facsimile or electronic mail without receiving any additional compensation for such solicitations. Park will also reimburse our transfer agent as well as brokers, voting trustees, financial institutions and other custodians, nominees and fiduciaries for their reasonable costs in forwarding the proxy materials to the beneficial shareholders.

What vote is required with respect to the proposal presented at the Annual Meeting?

Under Ohio law and Park's Regulations, the five nominees for election as Park directors in the class whose terms will expire at the 2010 Annual Meeting of Shareholders receiving the greatest number of votes **FOR** election will be elected as directors. Common shares as to which the authority to vote is withheld will be counted for quorum purposes but will not affect whether a nominee has received sufficient votes to be elected.

BENEFICIAL OWNERSHIP OF PARK COMMON SHARES

The following table furnishes information regarding the beneficial ownership of Park common shares, as of February 21, 2007, for each of the current directors, each of the nominees for re-election as a director, each of the individuals named in the Summary Compensation Table on page 44, all current directors and executive officers as a group and each person known by Park to beneficially own more than 5% of our outstanding common shares:

Name of Beneficial Owner or Number	Amount and Nature of Beneficial Ownership (1)			
	Common Shares Presently Held	Common Shares Which Can Be Acquired Upon Exercise of Currently Exercisable Options or Options First Becoming Exercisable Within 60 Days	Total	Percent of Class (2)
of Persons in Group (1) Trust departments of bank subsidiaries of Park c/o The Park National Bank, Trust Department 50 North Third Street Newark, OH 43055 (3)	2,360,794(3)	0	2,360,794	17.0%
Nicholas L. Berning	0(4)	0	0	(5)
Maureen Buchwald	5,656(6)	0	5,656	(5)
James J. Cullers	8,793(7)	0	8,793	(5)
C. Daniel DeLawder (8)	107,269(9)	3,014	110,283	(5)
Harry O. Egger	43,956(10)	0	43,956	(5)
F. William Englefield IV	2,944(11)	0	2,944	(5)
William T. McConnell	197,120(12)	0	197,120	1.4%
John J. O Neill	174,360(13)	0	174,360	1.3%
William A. Phillips	11,416(14)	0	11,416	(5)
J. Gilbert Reese	456,704(15)	0	456,704	3.3%
Rick R. Taylor	3,379(16)	0	3,379	(5)
David L. Trautman (8)	47,653(17)	2,975	50,628	(5)
Leon Zazworsky	7,401	0	7,401	(5)
John W. Kozak (8)	27,650(18)	3,516	31,166	(5)
All current executive officers and directors as a group (14 persons)	1,094,301(19)	9,505	1,103,806	7.9%

(1) Unless otherwise indicated in the footnotes to this table, each beneficial owner

has sole voting and investment power with respect to all of the common shares reflected in the table for such beneficial owner. All fractional common shares have been rounded to the nearest whole common share. The mailing address of each of the current executive officers and directors of Park is 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500.

- (2) The Percent of Class computation is based upon the sum of
- (i) 13,923,994 common shares outstanding on February 21, 2007 and
 - (ii) the number of common shares, if any, as to which the named person or group has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or

will first
become
exercisable
within 60 days
after
February 21,
2007.

- (3) The trust departments of certain bank subsidiaries of Park, as the fiduciaries of various agency, trust and estate accounts, hold an aggregate of 2,360,794 common shares. The trust departments of The Park National Bank (Park National Bank), the Fairfield National Division of Park National Bank and The Park National Bank of Southwest Ohio & Northern Kentucky division of Park National Bank hold an aggregate of 1,920,395 common shares (13.8% of the outstanding common shares), including: 31,507 common shares with no voting or investment power; 644,975 common shares with investment but no voting power; 457,956 common shares with voting but no investment power; and 785,957 common shares with voting and investment power. The trust department of Century National Bank holds 33,724 common shares

(0.2% of the outstanding common shares), including: 885 common shares with no voting or investment power; 3,177 common shares with voting but no investment power; and 29,662 common shares with voting and investment power.

The trust department of First-Knox National Bank holds 111,990 common shares (0.9% of the outstanding common shares), including: 5,762 common shares with no voting or investment power; 98 common shares with voting but no investment power; and 106,130 common shares with voting and investment power.

The trust department of The Richland Trust Company (Richland Trust Company) holds 14,168 common shares (0.1% of the outstanding common shares), including: 1,083 common shares with voting but no investment power; and 13,085 common shares with voting and

investment power.
The trust departments of The Security National Bank and Trust Co. (Security National Bank) and the Unity National Division of Security National Bank hold an aggregate of 271,097 common shares (1.9% of the outstanding common shares), including: 34,781 common shares with no voting or investment power; 15,372 common shares with investment but no voting power; 40,764 common shares with voting but no investment power; and 180,180 common shares with voting and investment power. The trust department of Second National Bank holds 9,420 common shares (0.1% of the outstanding common shares), with voting and investment power for all of the 9,420 common shares. The officers and directors of each bank subsidiary and of Park disclaim beneficial ownership of the common shares beneficially owned

by the trust
department of each
bank subsidiary.

- (4) On February 20, 2007, Mr. Berning acquired 20 common shares; however, since this transaction had not settled by February 21, 2007, he was not the holder of record or beneficial owner of these common shares on February 21, 2007.
- (5) Represents beneficial ownership of less than 1% of the outstanding common shares.
- (6) The number shown includes 2,300 common shares held jointly by Mrs. Buchwald and her husband as to which she shares voting and investment power.
- (7) The number shown includes: 773 common shares held by Mr. Cullers wife in an individual retirement account as to which she has sole voting and investment power and Mr. Cullers disclaims beneficial ownership; 4,695 common shares

held in an individual retirement account for which the trust department of First-Knox National Bank serves as trustee and has voting power and investment power; 212 common shares held by Mr. Cullers as custodian for his grandchildren; and 114 common shares held by Mr. Cullers' wife as custodian for their grandchildren as to which she has sole voting and investment power and Mr. Cullers disclaims beneficial ownership.

- (8) Individual named in Summary Compensation Table.

Messrs. DeLawder and Trautman also serve as directors of Park.

- (9) The number shown includes: 41,648 common shares held by the wife of Mr. DeLawder as to which she has sole voting and investment power and Mr. DeLawder disclaims beneficial ownership; and 10,541 common

shares held for the
account of
Mr. DeLawder in
the Park KSOP. As
of February 21,
2007, 32,975
common shares
held by
Mr. DeLawder and
33,300 common
shares held by the
wife of Mr.
DeLawder

had been pledged as security to a financial institution which is not affiliated with Park, in connection with a personal loan.

- (10) The number shown includes: 17,502 common shares held by the wife of Mr. Egger as to which she has sole voting and investment power and Mr. Egger disclaims beneficial ownership; 5,714 common shares held for the account of Mr. Egger in the Park KSOP; 605 common shares held in an individual retirement account by Advest as custodian for Mr. Egger; and 599 common shares held in an individual retirement account by Advest as custodian for the wife of Mr. Egger as to which Mr. Egger disclaims beneficial

ownership.

- (11) The number shown includes: 1,081 common shares held in a managing agency account with the trust department of Park National Bank as to which the trust department of Park National Bank has voting power and investment power and Mr. Englefield disclaims beneficial ownership; 273 common shares held in an individual retirement account by Merrill Lynch as custodian for Mr. Englefield; and 1,590 common shares held in a cash management account by Merrill Lynch as custodian for Mr. Englefield.

- (12) The number shown includes: 73,966 common shares held by the wife of Mr. McConnell as to which she has sole voting and investment power and Mr. McConnell

disclaims
beneficial
ownership;
16,978 common
shares held in an
inter vivos
irrevocable trust
established by
Mr. McConnell
as to which Park
National Bank's
trust department
serves as trustee
and has voting
and investment
power and
Mr. McConnell
disclaims
beneficial
ownership; and
5,059 common
shares held for
the account of
Mr. McConnell
in the Park
KSOP. The
number shown
also includes
1,155 common
shares held by
The McConnell
Foundation, an
Ohio not for
profit
corporation as to
which
Mr. McConnell,
his wife and his
two adult
children serve as
trustees.
Mr. McConnell
shares voting
and investment
power as to
these 1,155
common shares
with the other
three trustees
but disclaims
beneficial

ownership with respect to these 1,155 common shares.

- (13) The number shown includes 152,042 common shares held by O Neill Investments LLC, an Ohio limited liability company as to which Mr. O Neill is one of two managing members as well as a non-managing member. Mr. O Neill shares voting and investment power with respect to these common shares with his adult son, the other managing member.

- (14) The number shown includes: 2,116 common shares held for the account of Mr. Phillips in the Park KSOP; 1,491 common shares held in an individual retirement account for which the trust department of Century National Bank serves as trustee and has voting

and investment power and as to which Mr. Phillips disclaims beneficial ownership; and 3,858 common shares held by the wife of Mr. Phillips as to which she has sole voting and investment power and Mr. Phillips disclaims beneficial ownership.

- (15) The number shown includes: 56,359 common shares held by the wife of Mr. Reese as to which she has sole voting and investment power and Mr. Reese disclaims beneficial ownership; and 1,575 common shares held in a grantor trust created by Mr. Reese for which the trust department of Park National Bank serves as trustee and as to which Mr. Reese has voting and investment power. The number shown does not include 22,050 common

shares held by the trust department of Park National Bank for The Gilbert Reese Family Foundation, an Ohio not for profit corporation managed by Mr. Reese s wife and two adult children.

Mr. Reese has no voting or investment power with respect to the common shares held for The Gilbert Reese Family Foundation and disclaims beneficial ownership of these 22,050 common shares.

The trust department of Park National Bank has voting power but no investment power as to these 22,050 common shares.

- (16) The number shown includes 3,379 common shares held in a managing agency account with the trust department of Richland Trust Company as to which the trust

department has
voting and
investment
power and
Mr. Taylor
disclaims
beneficial
ownership.

- (17) The number shown includes: 13,230 common shares held by the wife of Mr. Trautman as to which she has sole voting and investment power and Mr. Trautman disclaims beneficial ownership; 822 common shares held in a rollover plan as to which the wife of Mr. Trautman has sole voting and investment power and Mr. Trautman disclaims beneficial ownership; and 5,736 common shares held for the account of Mr. Trautman in the Park KSOP. As of February 21, 2007, 27,865 common shares held by Mr. Trautman had been pledged as security to a financial institution which is not affiliated with Park, in connection with a personal loan.

(18) The number shown includes 3,374 common shares held for the account of Mr. Kozak in the Park KSOP. As of February 21, 2007, 24,145 common shares held by Mr. Kozak had been pledged as security to a financial institution which is not affiliated with Park, in connection with a personal line of credit.

(19) See Notes (4), (6), (7) and (9) through (18) above.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires that Park's directors, officers and greater-than-10% beneficial owners file reports with the SEC reporting their initial beneficial ownership of common shares and any subsequent changes in their beneficial ownership. Specific due dates have been established by the SEC, and Park is required to disclose in this proxy statement any late reports. To Park's knowledge, based solely on a review of reports furnished to Park and written representations that no other reports were required, during the 2006 fiscal year, all Section 16(a) filing requirements applicable to Park's officers, directors and greater-than-10% beneficial owners were complied with.

Pending Merger with Vision Bancshares, Inc.

On September 14, 2006, Park and Vision Bancshares, Inc., an Alabama bank holding company (Vision), jointly announced the signing of an Agreement and Plan of Merger providing for the merger of Vision into Park (the Vision Merger). Vision has two community bank affiliates, both named Vision Bank. One bank is headquartered in Gulf Shores, Alabama (Vision Alabama) and the other in Panama City, Florida (Vision Florida). Pursuant to the Agreement and Plan of Merger, dated to be effective as of September 14, 2006, as amended by the First Amendment to Agreement and Plan of Merger, dated to be effective as of February 6, 2007 (collectively, the Vision Merger Agreement), J. Daniel Sizemore is to become a director of Park as of the effective time of the Vision Merger. In addition, as contemplated by the terms of the Vision Merger Agreement, on September 14, 2006, Park, together with Vision Alabama and Vision Florida, entered into an Employment Agreement with Mr. Sizemore which will become effective at the effective time of the Vision Merger.

At the special meeting of shareholders of Vision held on February 20, 2007, the Vision shareholders approved the Vision Merger Agreement.

Park and Vision have submitted applications to the Board of Governors of the Federal Reserve System (the Federal Reserve Board), the Alabama Banking Department and the Florida Office of Financial Regulation seeking approval of

the Vision Merger. The application submitted to the Federal Reserve Board was approved on February 21, 2007. The application submitted to the Alabama Banking Department was approved on February 23, 2007. The application submitted to Florida Office of Financial Regulation was approved on February 28, 2007. The approvals by the Federal Reserve Board, the Alabama Banking Department and the Florida Office of Financial Regulation are subject to compliance by Park, Vision, Vision Alabama and Vision Florida with certain representations, commitments and covenants. In addition, the Vision Merger may not be consummated for 15 days after the date of the approval by the Federal Reserve

Board, during which time the United States Department of Justice may bring an action challenging the merger on antitrust grounds.

The consummation of the Vision Merger is also subject to the satisfaction of customary closing conditions in the Vision Merger Agreement. Park anticipates the transaction will close on or about March 9, 2007, assuming that all required conditions to closing have been satisfied.

Under the terms of the Vision Merger Agreement, the shareholders of Vision are entitled to receive, in exchange for their shares of Vision common stock, either (a) cash, (b) Park common shares, or (c) a combination of cash and Park common shares, subject to the election and allocation procedures set forth in the Vision Merger Agreement. Park will cause the requests of the Vision shareholders to be allocated on a pro-rata basis so that 50% of the shares of Vision common stock outstanding at the effective time of the Vision Merger will be exchanged for cash at the rate of \$25.00 per share of Vision common stock and the other 50% of the outstanding shares of Vision common stock will be exchanged for Park common shares at the exchange rate of 0.2475 Park common shares for each share of Vision common stock. This allocation is subject to adjustment for cash paid in lieu of fractional Park common shares in accordance with the terms of the Vision Merger Agreement.

As of January 8, 2007 (the record date for the Vision special meeting of shareholders), 6,114,518 shares of Vision common stock were outstanding and 828,834 shares of Vision common stock were subject to outstanding stock options with a weighted average exercise price of \$8.21 per share. Each outstanding stock option (that is not exercised prior to the election deadline specified in the Vision Merger Agreement) granted under one of Vision's equity-based compensation plans will be cancelled and extinguished and converted into the right to receive an amount of cash equal to (1)(a) \$25.00 multiplied by (b) the number of shares of Vision common stock subject to the unexercised portion of the stock option minus (2) the aggregate exercise price for the shares of Vision common stock subject to the unexercised portion of the stock option.

As of February 21, 2007, J. Daniel Sizemore did not beneficially own any common shares of Park. As of February 21, 2007, Mr. Sizemore was the beneficial owner of 120,052 shares of Vision common stock and held outstanding stock options covering 136,000 shares of Vision common stock with a weighted average exercise price of \$6.86. The shares of Vision common stock beneficially owned by Mr. Sizemore included: 724 shares representing his proportionate ownership (1/15th) of 10,850 shares of Vision common stock owned by Gulf Shores Investment Group, LLC, of which he is a member; and 474 shares owned by Mr. Sizemore's wife as custodian for Mr. Sizemore's stepdaughter.

If all of the stock options held by Mr. Sizemore were exercised and all of the shares of Vision common stock beneficially owned by Mr. Sizemore as of February 21, 2007 were converted into Park common shares, he would become the beneficial owner of 63,372 Park common shares, of which: 179 Park common shares would represent his proportionate ownership of 2,685 Park common shares owned by Gulf Shores Investment Group, LLC; and 117 Park common shares would be owned by Mr. Sizemore's wife as custodian for Mr. Sizemore's stepdaughter.

ELECTION OF DIRECTORS

As of the date of this proxy statement, there were thirteen members of the Board of Directors—five directors in the class whose terms expire at the Annual Meeting, five directors in the class whose terms will expire in 2008 and three directors in the class whose terms will expire in 2009. As of the date of this proxy statement, one vacancy exists on the Board of Directors of Park which will be filled by J. Daniel Sizemore upon the consummation of the Vision Merger as described above under the heading **Pending Merger with**

Vision Bancshares, Inc. beginning on page 8. Proxies cannot be voted at the Annual Meeting for a greater number of persons than the five nominees named in this proxy statement.

At the meeting of the Board of Directors of Park held on April 17, 2006, upon the unanimous recommendation of the Nominating Committee and as permitted by Section 2.02 of Park's Regulations, the Board of Directors increased the number of directors from thirteen to fourteen and elected Robert E. Dixon to fill the newly-created directorship in the class of directors of Park whose terms of office will expire in 2008. Mr. Dixon resigned from the Board of Directors of Park on October 25, 2006 in response to the perception of a conflict of interest expressed by some of the clients of the public accounting firm (Dixon, Davis, Bagent & Company) for which Mr. Dixon serves as chairman. A number of the branch offices of Park's bank subsidiaries were located in communities that have local banks which are clients of the public accounting firm of Dixon, Davis, Bagent & Company. In order to avoid even the appearance of a potential conflict of interest, Park and Mr. Dixon agreed that it would be in the best interests of both parties for Mr. Dixon to resign from the Board of Directors of Park.

Michael J. Menzer, who had served as a director of Park since 2005 and served in the class of directors whose terms will expire in 2009, resigned from the Board of Directors of Park on September 14, 2006 due to his pursuit of significant investments in other banks and bank holding companies that could become competitors of Park and our bank subsidiaries.

At the meeting of the Board of Directors of Park held on November 20, 2006, upon the unanimous recommendation of the Nominating Committee, the Board of Directors elected Mr. Nicholas L. Berning as a director of Park to serve in the class whose terms will expire in 2008. C. Daniel DeLawder, Park's Chairman of the Board and Chief Executive Officer, and David L. Trautman, Park's President and Secretary, became acquainted with Mr. Berning through the work of John W. Kozak, Park's Chief Financial Officer, with Mr. Berning on the board of directors of the Federal Home Loan Bank of Cincinnati. Messrs. DeLawder and Trautman, along with K. Douglas Compton, President of The Park National Bank of Southwest Ohio & Northern Kentucky division of Park National Bank, met with Mr. Berning. Messrs. DeLawder and Trautman subsequently recommended Mr. Berning to the Nominating Committee. After interviewing Mr. Berning and reviewing his credentials, the Nominating Committee unanimously recommended him to the Board of Directors.

Pursuant to the Vision Merger Agreement and the Employment Agreement entered into September 14, 2006, as amended by the First Amendment to Employment Agreement entered into February 6, 2007 (collectively, the Sizemore Employment Agreement), among Park, Vision Alabama, Vision Florida and J. Daniel Sizemore, Park has agreed to take all actions necessary to cause Mr. Sizemore, Chairman of the Board, Chief Executive Officer and President of Vision, to become a director of Park upon the consummation of the Vision Merger. The Sizemore Employment Agreement is described under the heading ***J. Daniel Sizemore Employment Agreement*** beginning on page 54.

At the meeting of the Board of Directors of Park held on January 16, 2007, upon the unanimous recommendation of the Nominating Committee and as permitted by Section 2.02 of Park's Regulations, the Board of Directors fixed the number of directors at fourteen in order to reflect the number of individuals then and currently serving as directors of Park and the position to be filled by Mr. Sizemore upon the consummation of the Vision Merger.

As of the date of this proxy statement, the Vision Merger had not been consummated. Pursuant to Section 2.05 of Park's Regulations, the remaining directors, though less than a majority of the whole authorized number of directors, may, by the vote of a majority of their number, fill any vacancy in the Park Board of Directors for the unexpired term. Mr. Sizemore will be elected to serve in the class of directors of Park whose terms will expire in 2009. Mr. Sizemore is 59 years old and until the consummation of the

Vision Merger, will continue to serve as Chairman of the Board, Chief Executive Officer and President of Vision (positions he has held since 1999), Chairman of the Board and Chief Executive Officer of Vision Alabama (positions he has held since 2000), and Chairman of the Board and Chief Executive Officer of Vision Florida (positions he has held since 2003). Mr. Sizemore also acted as Chief Executive Officer and President of The Bank, Birmingham, Alabama from 1998 to 1999.

The Board of Directors proposes that each of the five nominees identified below be re-elected for a new term of three years. Each nominee was recommended by the Nominating Committee for re-election. Each individual elected as a director at the Annual Meeting will hold office for a term to expire at the Annual Meeting of Shareholders to be held in 2010 and until his or her successor is duly elected and qualified, or until his or her earlier resignation, removal from office or death. While it is contemplated that all nominees will stand for re-election at the Annual Meeting, if a nominee who would otherwise receive the required number of votes becomes unable or unwilling to serve as a candidate for re-election as a director, the individuals designated as proxies on the proxy card will have full discretion to vote the common shares represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee designated by the Board of Directors following recommendation by the Nominating Committee. The Board of Directors knows of no reason why any of the nominees named below would be unable or unwilling to serve if elected to the Board.

The following information, as of the date of this proxy statement, concerning the age, principal occupation, other affiliations and business experience of each nominee for re-election as a director of Park has been furnished to Park by each director. Unless otherwise indicated, each individual has had his or her principal occupation for more than five years.

Nominee	Age	Position(s) Held	Director of	Nominee For
		with Park and Our Principal Subsidiaries	Park Continuously	Term Expiring
		and Principal Occupation(s)	Since	In
Maureen Buchwald	75	Owner and Operator of Glen Hill Orchards, Ltd., Mount Vernon, Ohio (apple orchards); Vice President of Administration and Secretary of Ariel Corporation (manufacturer of reciprocating compressors) for more than 20 years prior to her retirement in 1997; a Director of First-Knox National Bank since 1988	1997	2010
J. Gilbert Reese	81	Senior Partner in Reese, Pyle, Drake & Meyer, P.L.L., Attorneys-at-Law, Newark, Ohio; Chairman Emeritus of the Board of First Federal Savings and Loan Association of Newark, Newark, Ohio; a Director of Park National Bank since 1965	1987	2010

Nominee	Age	Position(s) Held	Director of	Nominee For Term Expiring In
		with Park and Our Principal Subsidiaries	Park Continuously	
		and Principal Occupation(s)	Since	
Rick R. Taylor	59	President of Jay Industries, Inc., Mansfield, Ohio (plastic and metal parts manufacturer); President of Longview Steel, Mansfield, Ohio (steel wholesaler); a Director of The Gorman-Rupp Company (manufacturer of pumps and related equipment); a Director of Richland Trust Company since 1995	1998	2010
David L. Trautman	45	President since January 2005 and Secretary since July 2002 of Park; President since January 2005, Executive Vice President from February 2002 to December 2004, Vice President from July 1993 to June 1997 and a Director since February 2002, of Park National Bank; Chairman of the Board from March 2001 to March 2006, a Director from May 1997 to March, 2006, and President and Chief Executive Officer from May 1997 to February 2002, of First-Knox National Bank; a Director of United Bank, N.A. from 2000 to March 2006	2005	2010
Leon Zazworsky	58	President of Mid State Systems, Inc., Hebron, Ohio, and of Mid State Warehouses, Inc., Newark, Ohio (transportation, warehousing and distribution); a Director of Park National Bank since 1991	2003	2010

The following information, as of the date of this proxy statement, concerning the age, principal occupation, other affiliations and business experience of the continuing directors of Park has been furnished to Park by each director. Unless otherwise indicated, each individual has had his principal occupation for more than five years.

Name	Age	Position(s) Held	Director of	Term Expires
		with Park and Our Principal Subsidiaries	Park Continuously	
		and Principal Occupation(s)	Since	In
Nicholas L. Berning	61	Owner of Berning Financial Consulting (financial consulting) since April 2006; Senior Vice President from January 1999 until his retirement effective March 1, 2006 and Controller from 1985 until his retirement effective March 1, 2006, of the Federal Home Loan Bank of Cincinnati; a Member of Advisory Board of The Park National Bank of Southwest Ohio & Northern Kentucky, a division of Park National Bank, since November 2006; Certified Public Accountant since 1974	2006	2008
C. Daniel DeLawder	57	Chairman of the Board since January 2005, Chief Executive Officer since January 1999, and President from 1994 to December 2004, of Park; Chairman of the Board since January 2005, Chief Executive Officer since January 1999, President from 1993 to December 2004, Executive Vice President from 1992 to 1993, and a Director since 1992, of Park National Bank; a Member of Advisory Board from 1985 to March 2006, Chairman of Advisory Board from 1989 to 2003, and President from 1985 to 1992, of the Fairfield National Division of Park National Bank; a Director of Richland Trust Company from 1997 to January 2006; a Director of Second National Bank from 2000 to March 2006; a Director of the Federal Reserve Bank of Cleveland since January 2007 (1)	1994	2008

Name	Age	Position(s) Held	Director of	Term Expires
		with Park and Our Principal Subsidiaries	Park Continuously	
		and Principal Occupation(s)	Since	In
Harry O. Egger	67	Vice Chairman of the Board of Park since March 2001; Chairman of the Board since 1997, Chief Executive Officer from 1997 to March 2003, President from 1981 to 1997, and a Director since 1977, of Security National Bank; Chairman of the Board, President and Chief Executive Officer of Security Banc Corporation from 1997 to March 2001 (2)	2001	2008
F. William Englefield IV	52	President of Englefield, Inc. (retail and wholesale of petroleum products and convenience stores and restaurants); a Director of Park National Bank since 1993	2005	2008
John J. O Neill	86	Chairman/Director of Southgate Corporation, Newark, Ohio (real estate development and management); a Director of Park National Bank since 1964	1987	2008
James J. Cullers	76	Attorney-at-Law; Principal of James J. Cullers, Mediation and Arbitration Services (mediator and arbitrator) since January 2005; Of Counsel from 2001 to January 2005 and prior thereto Senior Partner, of Zelkowitz, Barry & Cullers, Attorneys at Law, Mount Vernon, Ohio; a Director of First-Knox National Bank since 1977	1997	2009

Name	Age	Position(s) Held with Park and Our Principal Subsidiaries and Principal Occupation(s)	Director of Park Continuously Since	Term Expires In
William T. McConnell	73	Chairman of the Executive Committee since 1996, Chairman of the Board from 1994 to December 2004, Chief Executive Officer from 1986 to 1999, and President from 1986 to 1994, of Park; Chairman of the Executive Committee since 1996, Chairman of the Board from 1993 to December 2004, Chief Executive Officer from 1983 to 1999, President from 1979 to 1993, and a Director since 1977, of Park National Bank	1986	2009
William A. Phillips	74	Chairman of the Board since 1986, Chief Executive Officer from 1986 to 1998, and a Director since 1971, of Century National Bank	1990	2009

(1) Mr. DeLawder will become a director of each of Vision Alabama and Vision Florida following the consummation of the Vision Merger.

(2) In connection with the merger of Security Banc Corporation, an Ohio bank holding company (Security), into Park effective March 23, 2001, Mr. Egger became Vice Chairman of the

Board and a
director of Park
as contemplated
under the
Agreement and
Plan of Merger,
dated as of
November 20,
2000, between
Security and
Park.

There are no family relationships among any of Park's directors, nominees for re-election as directors and executive officers.

Recommendation and Vote

Under Ohio law and Park's Regulations, the five nominees receiving the greatest number of votes **FOR** election will be elected as directors of Park. Common shares represented by properly executed and returned proxy cards will be voted **FOR** the election of the Board of Directors' nominees named above unless authority to vote for one or more nominees is withheld. Shareholders may withhold authority to vote for the entire slate as nominated or, by writing the name of one or more nominees on the line provided on the proxy card, withhold the authority to vote for one or more nominees. Common shares as to which the authority to vote is withheld will be counted for quorum purposes but will not be counted toward the election of directors, or toward the election of the individual nominees specified on the proxy card.

Your Board of Directors recommends a vote *FOR* the re-election of the nominees named above.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

In accordance with the applicable sections of the Company Guide (the AMEX Rules) of the American Stock Exchange LLC (AMEX) and applicable SEC rules, the Board of Directors has adopted the Code of Business Conduct and Ethics which applies to the directors, officers and employees of Park and our subsidiaries. The Code of Business Conduct and Ethics is intended to set forth Park s expectations for the conduct of ethical business practices by the officers, directors and employees of Park and our subsidiaries, to promote advance disclosure and review of potential conflicts of interest and similar matters, to protect and encourage the reporting of questionable behavior, to foster an atmosphere of self-awareness and prudent conduct and to discipline appropriately those who engage in improper conduct. The Code of Business Conduct and Ethics is posted on the Governance Documents section of the Investor Relations page of Park s website at www.parknationalcorp.com.

PRK Improvement Line

Park has implemented a whistleblower hotline called the PRK Improvement Line. Calls that relate to accounting, internal controls or auditing matters or that relate to possible wrongdoing by employees of Park or one of our subsidiaries can be made anonymously through this hotline. The calls are received by an independent third party service and the information received is forwarded directly to the Chair of the Audit Committee and the Head of Park s Internal Audit Department. The PRK Improvement Line number is 1-800-418-6423, Ext. PRK (775).

Independence of Directors

Applicable AMEX Rules require that a majority of the members of Park s Board of Directors be independent directors. The definition of independence for purposes of the AMEX Rules includes a series of objective tests, which Park has used in determining whether the members of the Park Board of Directors are independent. In addition, a member of Park s Audit Committee will not be considered to be independent under the applicable AMEX Rules if he or she (i) does not satisfy the independence standards in Rule 10A-3 under the Exchange Act or (ii) has participated in the preparation of the financial statements of Park or any of our current subsidiaries at any time during the past three years.

As required by the AMEX Rules, the Board of Directors has affirmatively determined that each independent director has no relationship with Park or any of our subsidiaries that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making determinations as to the independence of Park s directors consistent with the definition of independent directors in the applicable AMEX Rules, the Board of Directors reviewed, considered and discussed:

the relationships (including employment, commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships) of each director (and the immediate family members of each director) with Park and/or any of our subsidiaries (either directly or as a partner, manager, director, trustee, controlling shareholder, officer, employee or member of any organization that has any such relationship) since January 1, 2004;

the compensation and other payments (including payments made in the ordinary course of providing business services) each director (and the immediate family members of each director):

has received from or made to Park and/or any of our subsidiaries (either directly or as a partner, manager, director, trustee, controlling shareholder, officer, employee or member of

an organization which has received compensation or payments from or made payments to Park and/or any of our subsidiaries) since January 1, 2004; and

presently expects to receive from or make to Park and/or any of our subsidiaries (either directly or as a partner, manager, director, trustee, controlling shareholder, officer, employee or member of an organization which has received compensation or payments from or made payments to Park and/or any of our subsidiaries);

the relationship, if any, between each director (and the immediate family members of each director) and each independent registered public accounting firm which has served as the outside auditor for Park and/or any of our subsidiaries at any time since January 1, 2004;

whether any director (or any immediate family member of any director) is employed as an executive officer of another entity where at any time since January 1, 2004, any of Park's executive officers served or presently serve on the compensation committee of such other entity; and

whether any director has participated in the preparation of the financial statements of Park or any of our current subsidiaries at any time since January 1, 2004.

Based upon that review, consideration and discussion and the unanimous recommendation of the Nominating Committee, the Board of Directors has determined that at least a majority of its members qualify as independent directors. The Board of Directors has determined that each of Nicholas L. Berning, Maureen Buchwald, James J. Cullers, F. William Englefield IV, John J. O'Neill, J. Gilbert Reese, Rick R. Taylor and Leon Zazworsky qualifies as an independent director because the director has no financial or personal ties, either directly or indirectly, with Park or our subsidiaries other than: (i) compensation received in the individual's capacity as a director of Park and one of our subsidiaries; (ii) non-preferential payments made in the ordinary course of providing business services (in the nature of payments of interest or proceeds relating to banking services or loans by one or more of our bank subsidiaries); (iii) ownership of common shares of Park; (iv) in the case of Messrs. Cullers and Reese, compensation paid by one or more of our subsidiaries to the law firms with which they have been associated in an amount which has represented less than \$80,000 of such law firm's consolidated gross revenues in any calendar year since January 1, 2004; and (v) in the case of Mr. O'Neill, compensation received by Mr. O'Neill's son in his capacity as a director of Park National Bank. In addition, during their tenure on the Board of Directors for portions of the 2006 fiscal year, upon the unanimous recommendation of the Nominating Committee, the Board of Directors had determined that each of Robert E. Dixon and Michael J. Menzer qualified as independent because the director had no financial or personal ties, either directly or indirectly, with Park or our subsidiaries other than: (a) compensation received in his capacity as a director of Park and one of our subsidiaries; (b) non-preferential payments made in the ordinary course of providing business services (in the nature of payments of interest or proceeds relating to banking services or loans by one or more of our bank subsidiaries); (c) ownership of Park common shares; and (d) in the case of Mr. Menzer, the purchase in January of 2005 by Park and three of the directors of Park who are current or former executive officers of Park (or members of their immediate family) of shares of Patriot Bank, a state-chartered bank located in Houston, Texas associated with Mr. Menzer. Mr. Menzer is a director and the controlling shareholder of Patriot Bank. Park has invested approximately \$150,000 and each of the individuals invested \$100,000 or less in their respective purchases of shares of Patriot Bank.

C. Daniel DeLawder and David L. Trautman do not qualify as independent directors because they currently serve as executive officers of Park and Park National Bank. William T. McConnell does not qualify as an independent director because he is employed in a non-executive officer capacity by Park National Bank and was formerly an executive officer of Park and Park National Bank. William A. Philips does not qualify as an independent director because he is employed in a non-executive officer capacity by Century National

Bank and was formerly an executive officer of Century National Bank. Harry O. Egger does not qualify as an independent director because he formerly served as an executive officer of Park and of Security National Bank.

Nominating Procedures

The Nominating Committee recommended the nominees identified in **ELECTION OF DIRECTORS** for re-election as directors of Park at the Annual Meeting. As detailed in the Nominating Committee's charter, the Nominating Committee has the responsibility to identify and recommend to the full Board individuals qualified to become directors of Park. Directors must be shareholders of Park.

The Nominating Committee takes into account many factors when considering candidates for the Board of Directors to ensure that the Board is comprised of directors with a variety of experiences and backgrounds, each of whom has high-level managerial experience and represents the interests of Park's shareholders as a whole rather than those of special interest groups. The Nominating Committee may consider those factors it deems appropriate when evaluating candidates, including judgment, skill, diversity, strength of character, experience with businesses and organizations comparable in size and scope to Park, experience as an executive of or adviser to a publicly traded or private company, experience and skill relative to other Board members, and any additional specialized knowledge or experience. Depending on the current needs of the Board, certain factors may be weighed more or less heavily by the Nominating Committee.

In considering candidates for the Board, the Nominating Committee evaluates the entirety of each candidate's credentials. Other than the requirement that a candidate be a Park shareholder, there are no specific minimum qualifications that must be met by a Nominating Committee-recommended nominee. However, the Nominating Committee does believe that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters, and no conflict of interest that would interfere with performance as a director.

The Nominating Committee will consider candidates for the Board from any reasonable source, including shareholder recommendations. The Nominating Committee does not evaluate candidates differently based on who has made the recommendation. The Nominating Committee has the authority under its charter to hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates. No such consultants or search firms have been used by the Nominating Committee or the full Board to date.

Shareholders may recommend director candidates for consideration by the Nominating Committee by writing to David L. Trautman, Park's President and Secretary, at our executive offices located at 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500. The recommendation must give the candidate's name, age, business address, residence address, principal occupation and number of Park common shares beneficially owned. The recommendation must also describe the qualifications, attributes, skills or other qualities of the recommended director candidate. A written statement from the candidate consenting to be named as a director candidate and, if nominated and elected, to serve as a director must accompany any such recommendation.

Any shareholder who wishes to nominate an individual for election as a director at an annual meeting of the shareholders of Park must comply with Park's Regulations regarding shareholder nominations. Shareholder nominations must be made in writing and delivered or mailed to Park's President not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors. However, if less than 21 days' notice of the meeting is given to the shareholders, the nomination must be mailed or delivered to Park's President not later than the close of business on the seventh day following the day on which the notice of the meeting was mailed to the shareholders. Nominations for the 2007 Annual

Meeting must be received by April 2, 2007. Each shareholder nomination must contain the following information to the extent known by the nominating shareholder:

the name and address of each proposed nominee;

the principal occupation of each proposed nominee;

the total number of Park common shares that will be voted for each proposed nominee;

the name and residence address of the nominating shareholder; and

the number of Park common shares beneficially owned by the nominating shareholder.

Nominations which do not comply with the above requirements and Park's Regulations will be disregarded.

Communications with the Board of Directors

Although Park has not to date developed formal processes by which shareholders may communicate directly with directors, Park believes that the informal process, in which any communication sent to the Board of Directors, either generally or in care of the Chief Executive Officer, the President and Secretary or another officer of Park, is forwarded to all members of the Board of Directors or specified individual directors, if applicable, has served the needs of the Board and Park's shareholders. There is no screening process in respect of shareholder communications. All shareholder communications received by an officer of Park for the attention of the Board of Directors or specified individual directors are forwarded to the appropriate members of the Board.

Park's Board of Directors, or one of the Board committees, may consider the development of more specific procedures related to shareholder communications with the Board. Until other procedures are developed and posted on the Governance Documents section of the Investor Relations page of Park's website at www.parknationalcorp.com, any communication to the Board of Directors or to individual directors may be sent to the Board or one or more individual directors, in care of David L. Trautman, Park's President and Secretary, at our executive offices located at 50 North Third Street, Post Office Box 3500, Newark, Ohio 43058-3500. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Shareholder-Board Communication or Shareholder-Director Communication, as appropriate. All shareholder communications must identify the author as a shareholder of Park and clearly state whether the correspondence is directed to all members of the Board of Directors or to certain specified individual directors. All shareholder communications will be copied and circulated to the appropriate director or directors without any screening. Correspondence marked personal and confidential will be delivered to the intended recipient(s) without opening.

Transactions with Related Persons

On an annual basis, each director and each executive officer of Park must complete a Directors and Officers Questionnaire which requires disclosure of any transaction, arrangement or relationship with Park and/or any of our subsidiaries since the beginning of the last fiscal year in which the director or executive officer, or any member of his or her immediate family, has or had a direct or indirect material interest. In addition, officers of Park and our subsidiaries must provide personal financial information annually as well as periodic information regarding the incurrence of indebtedness over \$10,000. Park's Retail Loan Department also reviews information quarterly for any outstanding loans with Park and/or one of our subsidiaries in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. As a part of its review process, Park's Retail Loan Department compares information on a

quarterly basis to track originations of any new loans for a director or an executive officer, or any member of his or her immediate family, and reconciles all then current account information to ensure the data has been gathered and recorded accurately.

The Audit Committee of Park's Board of Directors is responsible, under the terms of its charter, for reviewing and overseeing procedures designed to identify related person transactions that are material to Park's consolidated financial statements or otherwise require disclosure under applicable AMEX Rules or applicable rules adopted by the SEC, including those transactions required to be disclosed under Item 404 of SEC Regulation S-K. All such transactions must be approved by the Audit Committee. Further, under the terms of Park's Code of Business Conduct and Ethics, the Audit Committee is responsible for reviewing and overseeing all actions and transactions which involve the personal interest of a director or executive officer of Park and determining whether any such action or transaction represents a potential conflict of interest. In addition, under the terms of Park's Commercial Loan Policy, all loans made to directors of Park or one of our subsidiaries in excess of \$500,000 must also be approved by the full Board of Directors of Park or the applicable Park bank subsidiary. The Executive Committee of Park's Board of Directors must review and approve any loan or loan commitment proposed to be made by one of Park's bank subsidiaries to a new customer if the principal amount of the loan or loan commitment would exceed \$6 million or to an existing customer if the principal amount of the loan or loan commitment, when aggregated with the principal amounts of all other outstanding loans and loan commitments to the customer, would exceed \$12 million. To the extent any transaction represents an ongoing business relationship with Park or any of our subsidiaries, such transaction must be reviewed annually and be on terms no less favorable than those which would be usual and customary in similar transactions between unrelated persons dealing at arms' length.

During Park's 2006 fiscal year, executive officers and directors of Park, members of their immediate families and firms, corporations or other entities with which they are affiliated, were customers of and had banking transactions (including loans and loan commitments) with one or more of Park's bank subsidiaries in the ordinary course of their respective businesses and in compliance with applicable federal and state laws and regulations. It is expected that similar banking transactions will be entered into in the future. Loans to these persons have been made on substantially the same terms, including the interest rate charged and collateral required, as those prevailing at the time for comparable transactions with persons not affiliated with Park or Park's subsidiaries. These loans have been, and are presently, subject to no more than a normal risk of uncollectibility and present no other unfavorable features. At December 31, 2006, the aggregate principal balance of loans to the fourteen individuals then serving as directors and executive officers of Park and their respective associates as a group was approximately \$47.6 million. In addition, at December 31, 2006, loans to the individuals then serving as directors and executive officers of Park's subsidiaries, who were not also directors or executive officers of Park, totaled approximately \$64.9 million. As of the date of this proxy statement, each of the loans described in this paragraph was performing in accordance with its original terms. Each of the loans described in this paragraph was subject to Park's written policies, procedures and standard underwriting criteria applicable to loans generally as well as made in accordance with the requirements of Regulation O promulgated by the Federal Reserve Board governing prior approval of the loan by the Board of Directors of the bank subsidiary of Park making the loan.

Vision and Vision Alabama currently lease real property associated with Vision Alabama's branch locations in Gulf Shores and Orange Beach, Alabama from Gulf Shores Investment Group, LLC, an Alabama limited liability company. The following directors and executive officers of Vision and Vision Alabama are members of Gulf Shores Investment Group, LLC with a 1/15th proportionate ownership interest: Gordon Barnhill, Jr., R. J. Billingsley, Julian Brackin, Joe C. Campbell, William D. Moody, James R. Owen, Jr., Donald W. Peak, Rick A. Phillips, Daniel M. Scarbrough, MD, J. Daniel Sizemore, George W. Skipper, III, Thomas Gray Skipper, J. Douglas Warren, Patrick Willingham and Royce T. Winborne. Vision and Vision Alabama also lease real property associated with Vision Alabama's branch location in Elberta, Alabama from

Elberta Holdings, LLC, an Alabama limited liability company. J. Daniel Sizemore and James R. Owen, Jr., are both members of Elberta Holdings, LLC with a 1/3rd proportionate ownership interest.

Vision and Vision Florida currently lease real property associated with Vision Florida's branch location in Panama City, Florida from Bay County Investment Group, LLC, a Florida limited liability company. The following directors and executive officers of Vision and Vision Florida are members of Bay County Investment Group, LLC with a 1/23rd proportionate ownership interest: Warren Banach, Gordon Barnhill, Jr., Julian B. Brackin, R. J. Billingsley, James D. Campbell, DDS, Joe C. Campbell, Jr., Joey W. Ginn, Charles S. Isler, III, William D. Moody, James R. Owen, Jr., Donald W. Peak, Rick A. Phillips, Daniel M. Scarbrough, MD, George W. Skipper, III, Thomas Gray Skipper, J. Daniel Sizemore, J. Douglas Warren, Patrick Willingham, Lana Jane Lewis-Brent, Jimmy Patronis, Jr., John S. Robbins, Jerry F. Sowell, Jr., and James R. Strohmenger, MD.

Following the closing of the Vision Merger, the real property leased by Vision and Vision Alabama from Gulf Shores Investment Group, LLC in Gulf Shores, Alabama will be purchased by Vision Alabama for a purchase price of \$2,400,000, the real property leased by Vision and Vision Alabama from Gulf Shores Investment Group, LLC in Orange Beach, Alabama will be purchased for a purchase price of \$2,000,000, the real property leased by Vision and Vision Alabama from Elberta Holdings, LLC in Elberta, Alabama will be purchased by Vision Alabama for a purchase price of \$880,000 and the real property leased by Vision and Vision Florida from Bay County Investment Group, LLC in Panama City, Florida will be purchased by Vision Florida for a purchase price of \$2,975,000. Each purchase price represents the average of the appraised values obtained on behalf of each of Park and Vision and was agreed upon by J. Daniel Sizemore (on behalf of Vision) and C. Daniel DeLawder (on behalf of Park) on February 2, 2007 and approved by the Vision Board of Directors and the ownership entity for each property on that same date. Additionally, in anticipation of the consummation of the Vision Merger, the Park Board of Directors approved the purchase of each branch location by Vision Alabama or Vision Florida, as appropriate. Each branch location will be purchased for cash. Prior to purchasing any such property, Vision Alabama or Vision Florida, as appropriate, will calculate its capital stock and surplus for purposes of 12 C.F.R. § 223.3 in order to confirm that the amount of the proposed covered transaction, when combined with other covered transactions, will satisfy the limitations in respect of covered transactions set forth in Regulation W promulgated by the Federal Reserve Board. Park intends to make any additional capital contributions to Vision Alabama or Vision Florida which may be necessary to ensure that the limitations in respect of covered transactions are satisfied.

BOARD OF DIRECTORS MEETINGS AND COMMITTEES OF THE BOARD

Meetings of the Board of Directors and Attendance at Annual Meetings of Shareholders

The Board of Directors held five meetings during the 2006 fiscal year. Each incumbent director attended at least 75% of the aggregate of the total number of meetings held by the Board of Directors and the total number of meetings held by the Board committees on which he or she served, in each case during the period of his or her service. In accordance with applicable AMEX Rules, the independent directors meet in executive session (without the presence of management and non-independent directors) immediately following each regular meeting of the Board of Directors and at such other times as the independent directors deem necessary.

Park encourages all incumbent directors and director nominees to attend each annual meeting of shareholders. All of the then incumbent directors attended Park's last annual meeting of shareholders held on April 17, 2006.

Committees of the Board

During the 2006 fiscal year, the Board of Directors had six standing committees which held regularly scheduled meetings the Audit Committee, the Compensation Committee, the Executive Committee, the Investment Committee, the Nominating Committee and the Risk Committee.

Audit Committee

The Board of Directors has an Audit Committee which was established in accordance with Section 3(a)(58)(A) of the Exchange Act and is currently comprised of Maureen Buchwald (Chair), Nicholas L. Berning, F. William Englefield IV and Leon Zazworsky. Ms. Buchwald and Messrs. Englefield and Zazworsky served as members of the Audit Committee during the entire 2006 fiscal year. Mr. Berning has served as a member of the Audit Committee since November 20, 2006. Michael J. Menzer served as a member of the Audit Committee from the beginning of the 2006 fiscal year until September 14, 2006 when he resigned from Park's Board of Directors. Robert E. Dixon served as a member of the Audit Committee from April 17, 2006 until October 25, 2006 when he resigned from Park's Board of Directors. Upon the recommendation of the Nominating Committee, the Board of Directors has determined that each current member of the Audit Committee qualifies as an independent director under the applicable AMEX Rules and under SEC Rule 10A-3. During their tenure on the Audit Committee, each of Messrs. Menzer and Dixon was determined to qualify as an independent director by the Board of Directors, upon the recommendation of the Nominating Committee, under the applicable AMEX Rules and under SEC Rule 10A-3.

Upon the recommendation of the Nominating Committee, the Board of Directors has also determined that each of Ms. Buchwald and Mr. Berning qualifies as an audit committee financial expert for purposes of Item 407(d)(5) of SEC Regulation S-K and satisfies the financial sophistication requirement of the AMEX Rules. Ms. Buchwald served as Vice President of Administration and Secretary of Ariel Corporation for more than 20 years prior to her retirement in 1997. In her capacity as Vice President of Administration, Ms. Buchwald oversaw the accounting functions of Ariel Corporation. Mr. Berning has been a Certified Public Accountant since 1974 and served as Controller of the Federal Home Loan Bank of Cincinnati from 1985 until his retirement effective March 1, 2006 (in addition to serving as a Senior Vice President from 1999 until his retirement effective March 1, 2006 and as a Vice President from 1988 to 1998). In addition to each of Ms. Buchwald's and Mr. Berning's qualification as an audit committee financial expert, Park's Board of Directors strongly believes that each of the members of the Audit Committee is highly qualified to discharge the member's duties on behalf of Park and Park's subsidiaries and satisfies the financial literacy requirement of the AMEX Rules.

The Audit Committee is organized and conducts its business pursuant to a written charter adopted by the Board of Directors (the Audit Committee Charter). A copy of the Audit Committee Charter is posted on the Governance Documents section of the Investor Relations page of Park's website at www.parknationalcorp.com. At least annually, the Audit Committee reviews and reassesses the adequacy of the Audit Committee Charter and recommends changes to the full Board as necessary.

The Audit Committee is responsible, among other things, for:

overseeing the accounting and financial reporting processes of Park and Park's subsidiaries;

overseeing the audits of the consolidated financial statements of Park;

appointing, compensating and overseeing the work of the independent registered public accounting firm employed by Park for the purpose of preparing or issuing an audit report or performing related work;

instituting procedures for the receipt, retention and treatment of complaints received by Park regarding accounting, internal accounting controls or auditing matters, which procedures are outlined in Park's Code of Business Conduct and Ethics;

reviewing and approving transactions with Park and/or any of Park's subsidiaries in which a director or executive officer of Park, or any member of his or her immediate family, has a direct or indirect interest; and

assisting the Board of Directors in the oversight of:

the integrity of Park's consolidated financial statements and the effectiveness of Park's internal control over financial reporting;

the performance of Park's independent registered public accounting firm and Park's internal auditors;

the independent registered public accounting firm's qualifications and independence; and

the legal compliance and ethics programs established by management and the full Board.

In addition, the Audit Committee reviews and pre-approves all audit services and permitted non-audit services provided by the independent registered public accounting firm to Park or any of Park's subsidiaries and ensures that the independent registered public accounting firm is not engaged to perform the specific non-audit services prohibited by law, rule or regulation. The Audit Committee will also carry out any other responsibilities delegated to the Audit Committee by the full Board.

The Audit Committee met twelve times during the 2006 fiscal year. The Audit Committee's report relating to the 2006 fiscal year begins at page 56.

Compensation Committee

The Board of Directors has a Compensation Committee which is currently comprised of J. Gilbert Reese (Chair), John J. O'Neill and Leon Zazworsky. Each member of the Compensation Committee served during the entire 2006 fiscal year. Upon the recommendation of the Nominating Committee, the Board of Directors has determined that each member of the Compensation Committee qualifies as an independent director under the applicable AMEX Rules. In addition, each Compensation Committee member qualifies as an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), and as a non-employee director for purposes of SEC Rule 16b-3.

The Compensation Committee is organized and conducts its business pursuant to a written charter adopted by the Board of Directors (the Compensation Committee Charter). A copy of the Compensation Committee Charter is posted on the Governance Documents section of the Investor Relations page of Park's website at www.parknationalcorp.com. The Compensation Committee will periodically review and reassess the adequacy of the Compensation Committee Charter and recommend changes to the full Board as necessary.

The Compensation Committee's primary responsibilities include:

reviewing with management and approving the general compensation policy for the executive officers of Park and those other employees of Park and Park's subsidiaries which the full Board directs;

evaluating the performance of Park's executive officers in light of goals and objectives approved by the Compensation Committee and determining those executive officers' compensation based on that evaluation;

administering Park's equity-based plans and any other plans requiring Compensation Committee administration and approving awards as required to comply with applicable securities and tax laws, rules and regulations;

overseeing the preparation of the compensation discussion and analysis and recommending to the full Board its inclusion in the annual proxy statement in accordance with applicable AMEX rules and applicable SEC rules;

recommending to the Board of Directors the compensation for directors; and

reviewing and making recommendations to the full Board with respect to incentive compensation plans and equity-based plans in accordance with applicable laws, rules and regulations.

In addition, the Compensation Committee will review Park's organizational structure and succession plans for Park's executive officers with the full Board as needed. The Compensation Committee will also carry out any other responsibilities delegated to the Compensation Committee by the full Board.

The Compensation Committee has the authority to retain one or more compensation consultants to assist in the evaluation of director and executive officer compensation. The Compensation Committee has sole authority to retain and terminate any such compensation consultants, including sole authority to approve the consultants' fees and other retention terms.

The Compensation Committee met four times during the 2006 fiscal year. The compensation discussion and analysis regarding executive compensation for the 2006 fiscal year begins at page 28 and the Compensation Committee Report for the 2006 fiscal year is on page 43.

Executive Committee

The Board of Directors has an Executive Committee which is currently comprised of William T. McConnell (Chair), C. Daniel DeLawder (Vice Chair), Harry O. Egger, John J. O'Neill, J. Gilbert Reese and Leon Zazworsky. Each member of the Executive Committee also served during the entire 2006 fiscal year. David L. Trautman serves as a non-member Secretary to the Executive Committee. The Executive Committee may exercise, to the fullest extent permitted by law and not delegated to another committee of the Board, all of the powers and authority granted to the Board. The Executive Committee must review and approve any loan or loan commitment proposed to be made by one of Park's bank subsidiaries to a new customer if the principal amount of the loan or loan commitment would exceed \$6 million or to an existing customer if the principal amount of the loan or loan commitment, when aggregated with the principal amounts of all other outstanding loans and loan commitments to the customer, would exceed \$12 million. In addition, the Executive Committee must review and approve any capital expenditure proposed to be made by one of Park's bank subsidiaries if the amount of the capital expenditure would exceed \$300,000. The Executive Committee assists the Board of Directors in overseeing the staff employees who perform independent loan review functions at the subsidiaries of Park and determines the compensation of these staff employees. The Executive Committee met nine times during the 2006 fiscal year.

Investment Committee

The Board of Directors has an Investment Committee which is currently comprised of C. Daniel DeLawder (Chair), Harry O. Egger, William T. McConnell, John J. O'Neill, Rick R. Taylor and David L. Trautman. Each current member of the Investment Committee served during the entire 2006 fiscal year. Michael J. Menzer served as a member of the Investment Committee from the beginning of the 2006 fiscal year until September 14, 2006 when he resigned from the Board of Directors of Park. The Investment Committee reviews the activity in the investment portfolio of Park and Park's bank subsidiaries, monitors compliance with Park's investment policy and assists management with the development of investment strategies. The Investment Committee met three times during the 2006 fiscal year.

Nominating Committee

The Board of Directors has a Nominating Committee which is currently comprised of John J. O'Neill (Chair), J. Gilbert Reese and Leon Zazworsky. Each member of the Nominating Committee also served during the entire 2006 fiscal year. The Board of Directors has determined that each member of the Nominating Committee qualifies as an independent director under the applicable AMEX Rules.

The Nominating Committee is organized and conducts its business pursuant to a written charter adopted by the Board of Directors (the Nominating Committee Charter). A copy of the Nominating Committee Charter is posted on the Governance Documents section of the Investor Relations page of Park's website at www.parknationalcorp.com. The Nominating Committee will periodically review and reassess the adequacy of the Nominating Committee Charter and recommend changes to the full Board as necessary.

The primary purpose of the Nominating Committee is to identify qualified candidates for election, nomination or appointment to the Board of Directors and to recommend to the full Board a slate of director nominees for each annual meeting of the shareholders of Park or as vacancies occur between annual meetings of the shareholders. In addition, the Nominating Committee provides oversight on matters surrounding the composition and operation of the Board, including the evaluation of Board performance and processes, and makes recommendations to the full Board in the areas of Board committee selection, including Board committee chairpersons and committee rotation practices. The Nominating Committee will also carry out any other responsibilities delegated to the Nominating Committee by the full Board.

The Nominating Committee met four times during the 2006 fiscal year.

Risk Committee

The Board of Directors has a Risk Committee which is currently comprised of Leon Zazworsky (Chair), James J. Cullers and F. William Englefield IV. The Risk Committee was established by the Board of Directors of Park on November 21, 2006 and each member of the Risk Committee has served since that date. The Risk Committee assists the Board of Directors in overseeing Park's enterprise-wide risks, including interest rate, liquidity, price, credit, transaction, capital management, reputational, strategic, technology, operational, legal, reporting and external risks. Towards this end, the Risk Committee monitors the level and trend of key risks, management's compliance with Board established risk tolerances and Park's risk management policy framework. The Risk Committee also oversees and reviews the effectiveness of Park's system for monitoring compliance with laws and regulations, reviews the status of material pending litigation, monitors whether material new initiatives have been appropriately analyzed and approved and reviews all regulatory information directed to the Board's attention and the adequacy of management's response. The Risk Committee met once during the 2006 fiscal year.

The Risk Committee is organized and conducts its business pursuant to a written charter adopted by the Board of Directors (the Risk Committee Charter). A copy of the Risk Committee Charter is posted on the Governance Documents section of the Investor Relations page of Park s website at www.parknationalcorp.com. At least annually, the Risk Committee will review and reassess the adequacy of the Risk Committee Charter and will recommend changes to the full Board as necessary.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee of Park s Board of Directors is comprised of J. Gilbert Reese (Chair), John J. O Neill and Leon Zazworsky. All of the members of the Compensation Committee are independent directors and none of them is a present or past employee or officer of Park or any of our subsidiaries. No member of the Compensation Committee has had any relationship with Park or any of our subsidiaries requiring individualized disclosure under Item 404 of SEC Regulation S-K; however, each of Messrs. Reese, O Neill and Zazworsky as well as members of their immediate families and firms, corporations or other entities with which they are affiliated were customers of and had banking transactions (including loans and loan commitments) with one or more of Park s bank subsidiaries in the ordinary course of their respective businesses and in compliance with applicable federal and state laws and regulations. The loans to these persons: (i) were made on substantially the same terms, including the interest rate charged and collateral required, as those prevailing at the time for comparable transactions with persons not affiliated with Park or one of our subsidiaries and (ii) have been, and are presently, subject to no more than a normal risk of uncollectibility and present no other unfavorable features. None of Park s executive officers has served on the board of directors or compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served on Park s Board of Directors or Compensation Committee.

EXECUTIVE OFFICERS

The following are the executive officers of Park, all of whom are elected annually and serve at the pleasure of the Board of Directors of Park. This table lists each executive officer s age as of the date of this proxy statement as well as the positions presently held by each executive officer with Park and our principal subsidiaries and his individual business experience.

Name	Age	Positions Held with Park and Our Principal Subsidiaries and Principal Occupation
C. Daniel DeLawder	57	Chairman of the Board since January 2005, Chief Executive Officer since January 1999, President from 1994 to December 2004, and a Director since 1994, of Park; Chairman of the Board since January 2005, Chief Executive Officer since January 1999, President from 1993 to December 2004, Executive Vice President from 1992 to 1993, and a Director since 1992, of Park National Bank; a Member of Advisory Board from 1985 to March 2006, Chairman of Advisory Board from 1989 to 2003, and President from 1985 to 1992, of the Fairfield National Division of Park National Bank; a Director of Richland Trust Company from 1997 to January 2006; a Director of Second National Bank from 2000 to March 2006; a Director of the Federal Reserve Bank of Cleveland since January 2007 (1)
David L. Trautman	45	President since January 2005, Secretary since July 2002, and a Director since January 2005, of Park; President since January 2005, Executive Vice President from February 2002 to December 2004, Vice President from July 1993 to June 1997, and a Director since February 2002, of Park National Bank; Chairman of the Board from March 2001 to March 2006, President and Chief Executive Officer from May 1997 to February 2002, and a Director from May 1997 to March 2006, of First-Knox National Bank; a Director of United Bank, N.A. from 2000 to March 2006
John W. Kozak	51	Chief Financial Officer of Park since April 1998 (became an executive officer of Park on July 22, 2002); Senior Vice President since January 1999, Chief Financial Officer since April 1998, a Director since December 2006, and Vice President from 1991 to 1998, of Park National Bank; Chief Financial Officer from 1980 to 1991, and a Director from 1988 to May 2006 of Century National Bank

(1) Mr. DeLawder will become a director of each of Vision Alabama and Vision Florida following the consummation of the Vision Merger.

There are no family relationships among any of Park's directors, nominees for re-election as directors and executive officers.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The executive officers of Park receive no compensation directly from Park. Instead, C. Daniel DeLawder, Park's Chairman of the Board and Chief Executive Officer, David L. Trautman, Park's President and Secretary, and John W. Kozak, Park's Chief Financial Officer, are paid by Park National Bank for services rendered in their capacities as executive officers of Park and Park National Bank. For purposes of this discussion, Messrs. DeLawder, Trautman and Kozak are sometimes collectively referred to as the named executive officers.

The Compensation Committee has the authority to engage its own independent advisors to assist in their deliberations at any time. Historically, the Compensation Committee has not engaged or relied upon compensation consultants. However, in the spring of 2006, the Compensation Committee directed Park's management to seek professional assistance to review the compensation formula historically applied in determining the compensation of the executive officers of Park and the other officers of Park's subsidiaries and to undertake a comparative peer market analysis. As a result, Park's management retained the services of Towers Perrin, a human resources consulting company with nationally recognized experience and credentials, to undertake such a review and analysis.

The Compensation Committee meets with Mr. DeLawder, Park's Chief Executive Officer, and other executive officers to solicit and obtain recommendations with respect to Park's compensation programs and practices; however, the Compensation Committee makes the final determinations with respect to all forms of compensation for executive officers of Park, and no executive officer is a part of the final deliberations and decisions impacting any of Park executive officers. Messrs. DeLawder and Trautman are invited to attend some of the Compensation Committee's meetings throughout the year. The Compensation Committee also holds an executive session at each meeting which is not attended by any member of Park's management team.

The Compensation Committee determines the base salary and incentive compensation levels appropriate for the executive officers of Park and the aggregate base salaries and incentive compensation available for officers and administrative managers of the subsidiaries of Park. Additionally, the Compensation Committee reviews and approves the base salary level and incentive compensation payments recommended by Messrs. DeLawder and Trautman to be awarded to the president of each subsidiary of Park (and, where appropriate, each division of a subsidiary) as well as senior vice presidents of Park National Bank. The president of each subsidiary of Park (and, where appropriate, each division of a subsidiary) identifies compensation levels for each officer for whom he or she has responsibility. The Compensation Committee has authorized Messrs. DeLawder and Trautman to approve the compensation paid to such officers, based largely on the recommendations made by the president of each subsidiary or division. The Audit Committee of Park determines the compensation for all of the staff auditors, including the chief auditor. The Executive Committee of Park determines the compensation for the staff employees who perform independent loan review functions at the subsidiaries of Park.

Compensation Philosophy and Objectives

Park's compensation program is designed to attract, reward and retain officers and other key employees, to motivate such individuals to achieve Park's annual, long-term and strategic goals and to reward individual effort and performance with the primary objective of improving return on shareholders' equity. Historically, the compensation program for all officers of Park and Park's subsidiaries, including

the named executive officers, has consisted of three primary elements – a base salary component, an incentive compensation component and an incentive stock option (ISO) component. Park's executive compensation program is administered by the Compensation Committee which evaluates compensation and performance on an annual basis to ensure that Park's compensation program is reasonable, fair and competitive.

To ensure that compensation levels are commensurate with levels of responsibility, Park's compensation program has historically paid higher salaries and greater proportionate amounts of the available pool of incentive compensation to individuals with the highest levels of responsibility.

In assessing Park's performance, the Compensation Committee has reviewed various measures of company and industry performance, including metrics related to asset and liability growth, net interest spread and net interest income percentages, non-interest income and expense, asset quality and net income. Historically, the Compensation Committee's review focused primarily on profitability for shareholders as expressed by return on shareholders' equity based on its belief that return on shareholders' equity is an objective measuring tool which can be reviewed on an absolute basis as well as on a comparative basis in relation to Park's peer bank holding companies.

Each year in January, Park's Board of Directors approves the annual budget and management's objectives for the year. At the end of each fiscal year, the Compensation Committee meets in executive session to conduct a performance review of the Chief Executive Officer and to assess the achievement of the agreed upon objectives. For Park's other named executive officers, in addition to its review of their performance, the Compensation Committee also receives a performance assessment and compensation recommendation from the Chief Executive Officer. Similar to the Chief Executive Officer, the performance evaluation of each of the other named executive officers is based on achievement of preset objectives for Park and his contribution to Park's performance.

Park believes that the combination of base salary and incentive compensation ties compensation levels to overall performance by Park and Park's subsidiaries as well as the individual performance of the executive officers. The cash compensation philosophy of both Park and Park National Bank reflects the belief that a significant part of total executive cash compensation should be at risk in the form of incentive compensation based on the performance of Park and Park's subsidiaries.

Park believes that it is also important to provide compensation which serves to incentivize long-term corporate financial performance. In that regard, Park's Board of Directors adopted the 2005 Incentive Stock Option Plan (the 2005 Plan) and the Park shareholders approved the 2005 Plan at the 2005 Annual Meeting of Shareholders. Park also maintains the Park National Corporation 1995 Incentive Stock Option Plan (the 1995 Plan); however, the 1995 Plan expired by its terms on January 16, 2005 and no further grants may be made under it. The equity component of Park's compensation program consists of ISO awards which are designed to align the interests of the employees of Park and Park's subsidiaries with those of Park's shareholders over a multi-year period and to encourage the employees of Park and Park's subsidiaries to remain with the Park organization in a competitive labor market. The number of common shares subject to each ISO is determined by the Compensation Committee based on an evaluation of competitive factors in conjunction with total compensation provided to the named executive officers as well as objectives of Park's compensation program described above; however, the number of common shares subject to each ISO is limited to the extent necessary to allow the ISO qualify as such under Section 422 of the Internal Revenue Code. As discussed below, there were no grants of ISOs made to executive officers of Park under the 2005 Plan during the 2006 fiscal year.

The Park National Corporation Defined Benefit Pension Plan, the Park National Corporation Employees Stock Ownership Plan, the Park National Corporation Supplemental Executive Retirement

Plan and other generally available benefit programs allow Park and Park's subsidiaries to remain competitive for attracting and retaining employee talent and the Compensation Committee believes that the availability of such benefit programs generally enhances and encourages employee productivity and loyalty.

2006 Executive Compensation Components

During the 2006 fiscal year, Park focused primarily on a combination of base salary and payments under Park's incentive compensation plan. As discussed below, there were no ISOs granted to any of the executive officers of Park or any other employees of Park or Park's subsidiaries. For the 2006 fiscal year, the principal components of compensation for the executive officers were:

base salary;

payments under Park's incentive compensation plan;

retirement and other benefits; and

perquisites and other personal benefits.

Based on the Towers Perrin study, Park's total direct compensation (salary, incentive compensation plus estimated value of long-term incentives) for the 2006 fiscal year is at or about the market's 50th percentile for Messrs. DeLawder, Trautman and Kozak. Park relied on compensation surveys prepared by Towers Perrin to compare Park's compensation levels against its regional peer group and a high performing bank holding company peer group. Peer group data was gathered with respect to base salary, bonus targets and equity-based compensation awards. The bank holding companies in Park's regional peer group, other than Park, were:

Bank	Location
Sky Financial Group Inc.	Bowling Green, OH
Flagstar Bancorp Inc.	Troy, MI
Fulton Financial Corp.	Lancaster, PA
Firstmerit Corp.	Akron, OH
Old National Bancorp	Evansville, IN
Citizens Banking Corp.	Flint, MI
Susquehanna Bancshares Inc.	Lititz, PA
United Bankshares Inc.	Charleston, WV
Irwin Financial Corp.	Columbus, IN
Republic Bancorp Inc.	Owosso, MI
First Commonwealth Financial	Indiana, PA
F.N.B. Corp.	Hermitage, PA
National Penn Bancshares Inc.	Boyertown, PA
WesBanco Inc.	Wheeling, WV
Chemical Financial Corp.	Midland, MI
First Financial Bancorp.	Hamilton, OH
1 st Source Corp.	South Bend, IN
Independent Bank Corp.	Ionia, MI
First Merchants Corp.	Muncie, IN
Harleysville National Corp.	Harleysville, PA
Integra Bank Corp.	Evansville, IN

The bank holding companies in the high performing bank holding company peer group, other than Park, were:

Bank	Location
TCF Financial Corp.	Wayzata, MN
Valley National Bancorp	Wayne, NJ
CORUS Bankshares Inc.	Chicago, IL
East West Bancorp Inc.	Pasadena, CA
Cathay General Bancorp	Los Angeles, CA
CVB Financial Corp.	Ontario, CA
Westamerica Bancorporation	San Rafael, CA
Glacier Bancorp Inc.	Kalispell, MT
Prosperity Bancshares Inc.	Houston, TX
Independent Bank Corp.	Ionia, MI
TrustCo Bank Corp.	Glenville, NY
First Financial Bankshares Inc.	Abilene, TX
Bank of the Ozarks	Little Rock, AR
Nara Bancorp Inc.	Los Angeles, CA
Wilshire Bancorp Inc.	Los Angeles, CA
Virginia Commerce Bancorp	Arlington, VA
Suffolk Bancorp	Riverhead, NY
Royal Bancshares	Narberth, PA
Cascade Bancorp	Bend, OR
Northern Empire Bancshares	Santa Rosa, CA
Smithtown Bancorp Inc.	Hauppauge, NY
Columbia Bancorp	Dalles, OR
First South Bancorp Inc.	Washington, NC

The Compensation Committee believes that the total compensation paid to the named executive officers for the 2006 fiscal year was appropriate.

Base Salary

Base salaries are the guaranteed portion of an employee's annual cash compensation. The base salaries for Park's executive officers are set so as to reflect the duties and level of responsibility inherent in each position and to reflect the quality of individual performance.

Base salary levels for Park's executive officers are considered annually as part of the Compensation Committee's performance review process as well as upon a promotion or other change in job responsibility. In considering base salary levels, the Compensation Committee conducts a review of survey data to ensure competitive compensation as compared to Park's peer group. Merit-based increases to base salaries of executive officers are based on the Compensation Committee's assessment of each individual's performance. In setting base salaries, the Compensation Committee considers the importance of linking a significant portion of each named executive officer's compensation to performance in the form of the annual incentive compensation which is tied to both Park's performance and individual performance. Generally, previously granted ISOs are not considered by the Compensation Committee in setting cash compensation levels.

Park currently pays executive officers base salaries which are at approximately the 50th percentile market level compared to Park's regional peer group and Park's high performing banks peer group identified above for comparable positions. Compensation levels for individual executive officers, however, may be more or less than the 50th percentile market level, depending on subjective assessments by the Compensation Committee of individual factors such as the executive officer's position, skills, experience and tenure with Park as well as historic compensation levels.

On February 7, 2006, the Compensation Committee approved the base salaries for each of Messrs. DeLawder, Trautman and Kozak for the 2006 fiscal year. Management proposed that Messrs. DeLawder, Trautman and Kozak receive the same base salary for the 2006 fiscal year as they had received the previous year and the Compensation Committee concurred after reviewing independently generated peer group information of similarly sized bank holding companies developed by SNL Securities. Accordingly, the base salaries for the 2006 fiscal year were \$464,240 for Mr. DeLawder, \$307,108 for Mr. Trautman and \$200,500 for Mr. Kozak. The Compensation Committee believes that the base salaries paid to the named executive officers for the 2006 fiscal year were consistent with such officers' levels of responsibility and individual performance as well as Park's performance.

On December 27, 2006, the Compensation Committee approved the base salaries of each of the named executive officers for Park's 2007 fiscal year. Management proposed that each of Messrs. DeLawder's, Trautman's and Kozak's base salaries and total cash compensation for 2007 remain unchanged from 2006. The Compensation Committee determined that each of the executive officers should receive a 2% increase in their total cash compensation and that the cash compensation be paid to these three executive officers during the 2007 fiscal year be split 50% base salary and 50% incentive compensation (reflecting incentive compensation received in respect of the 2006 fiscal year). After reviewing peer group data developed by SNL Securities and the Towers Perrin study, the Compensation Committee (in executive session) approved the 2% increase in total compensation as well as the 50/50 split between base salary and incentive compensation. For the 2007 fiscal year, the Compensation Committee determined that the base salaries and the total cash compensation, following the 2% increase in 2007, were appropriate for all three executive officers as compared to similar positions at Park's regional peer group and Park's high performing banks peer group identified above. The base salaries for the 2007 fiscal year are \$473,525 for Mr. DeLawder, \$313,250 for Mr. Trautman and \$214,455 for Mr. Kozak.

Incentive Compensation Plan

The Compensation Committee of Park's Board of Directors administers Park's incentive compensation plan which enables the officers of Park National Bank (the Park National Division, the Fairfield National Division, the Consolidated Computer Center Division and The Park National Bank of Southwest Ohio & Northern Kentucky division), Richland Trust Company, Century National Bank, First-Knox National Bank (the First-Knox National Division and the Farmers and Savings Division), Second National Bank, United Bank, N.A., Security National Bank (the Security National Division and the Unity National Division), The Citizens National Bank of Urbana, Scope Leasing, Inc. and Guardian Financial Services Company (collectively, Park's Principal Subsidiaries) to share in any above-average return on equity (as defined below) which Park and Park's subsidiaries on a consolidated basis may generate during each twelve-month period ending September 30. During the 2006 fiscal year, all officers of Park's Principal Subsidiaries (including each of Park's named executive officers) were eligible to participate in the incentive compensation plan. For the 2007 fiscal year, all officers of Park's Principal Subsidiaries (including each of Park's named executive officers) will also be eligible to participate.

Above-average return on equity is defined as the amount by which the net income to average shareholders' equity ratio of Park and Park's subsidiaries on a consolidated basis for a twelve-month

period ended September 30 exceeds the median net income to average shareholders' equity ratio of all U.S. bank holding companies of similar asset size (\$3 billion to \$10 billion). A historically applied formula determines the amount, if any, by which Park's return on equity ratio exceeds the median return on equity ratio of these peer bank holding companies. Approximately twenty percent (20%) of any such excess amount on a before-tax equivalent basis is then available for incentive compensation. If Park's return on equity ratio is equal to or less than that of the peer group, no incentive compensation will be available with respect to that twelve-month period. The Chairman of the Board and Chief Executive Officer and the President of Park and Park National Bank historically received a fixed percentage of the total amount available for incentive compensation as determined by the Board of Directors and, more recently, the Compensation Committee.

Park's accumulation of capital over the recent several years, while enhancing the safety and soundness of Park, has put increasing pressure on Park's ability to generate superior levels of return on equity ratio. The Compensation Committee has monitored this development and carefully considered the impact of increasing levels of capital relative to Park's peer group, and the attendant negative impact on Park's return on equity ratio. As a result, Park's management provided alternatives for the Compensation Committee's consideration, including an adjusted capital formula that caused Park's capital level to be equal to the median of Park's peer group's capital level. This adjusted formula then reduced Park's net income and Park's adjusted return on equity ratio was then compared to the median return on equity ratio of its peer group.

The incentive compensation amounts in recent years, computed by using both the original 20% historic ratio formula as well as the adjusted capital formula, have fluctuated significantly. These fluctuations may have been caused largely by changing levels of capital at peer companies as well as at Park. As a result, the Compensation Committee has attempted to utilize both the historic 20% ratio formula as well as the adjusted capital formula and exercised its discretion in order to arrive at a total pool amount that it determined to be fair and appropriate in recent years, including the 2006 fiscal year. Based on the Towers Perrin study, Park's incentive compensation levels in recent years have ranked in the 90th percentile of bank holding companies in Park's regional peer group and in the 75th percentile of the high performing bank holding company peer group. Due to the nature of the incentive compensation formula used by Park, the Compensation Committee generally does not consider previously granted ISOs in awarding incentive compensation.

As discussed above, the Compensation Committee determined that each of Messrs. DeLawder, Trautman and Kozak should receive a 2% increase in their total cash compensation and that the cash compensation to be paid to these three executive officers during the 2007 fiscal year be split 50% base salary and 50% incentive compensation (reflecting incentive compensation received in respect of the 2006 fiscal year). The Compensation Committee of the Board of Directors of Park met on December 27, 2006 to determine the amount of incentive compensation to be paid to each of Messrs. DeLawder, Trautman and Kozak in respect of the twelve-month period ended September 30, 2006 (the 2006 Incentive Compensation Period). The Compensation Committee computed 17.5% of Park's computed return on equity advantage to arrive at a total incentive compensation pool of \$9,792,000. The following schedule sets forth the incentive compensation paid on January 26, 2007 to them for the 2006 Incentive Compensation Period:

C. Daniel DeLawder \$473,525

David L. Trautman \$313,250

John W. Kozak \$214,455

The Compensation Committee believes that the incentive compensation awards paid to the named executive officers for the 2006 fiscal year was consistent with levels of individual performance and appropriately reflected Park's performance.

After deducting the incentive compensation to be paid to Messrs. DeLawder, Trautman and Kozak, the remaining amount available for incentive compensation pay was distributed to the officers of Park's Principal Subsidiaries on the basis of their respective contributions to Park's achieving its short-term and long-term financial goals during the 2006 Incentive Compensation Period, which contributions were subjectively determined by the Chairman of the Board and Chief Executive Officer and the President and Secretary of Park and approved by Park's Board of Directors, upon recommendation of the Compensation Committee. Recommendations of the presidents of Park's Principal Subsidiaries were considered when determining incentive compensation amounts for officers (other than the internal audit staff) of those subsidiaries. The incentive compensation paid to the internal audit staff of Park's Principal Subsidiaries was determined by the Audit Committee of Park's Board of Directors. The incentive compensation paid to staff employees who perform independent loan review functions was determined by the Executive Committee of Park's Board of Directors.

The Compensation Committee will determine the 2007 fiscal year incentive compensation for each of Messrs. DeLawder, Trautman and Kozak and the total incentive compensation pool for the officers of Park. The determination will be made during the fourth quarter of 2007. The Compensation Committee will review the comparison of Park's return on equity ratio for the twelve-month period ending September 30, 2007 compared to the return on equity of Park's peer group for the same period of time. The Compensation Committee will not award incentive compensation to any named executive officer if Park's return on equity ratio for the 12-month period ending September 30, 2007 does not exceed that of Park's peer groups.

For the five years ended December 31, 2006, Park's return on equity has averaged 17.11% compared to 13.41% for its peer group, defined as all U.S. Bank holding companies between \$3 billion and \$10 billion in assets. The Compensation Committee anticipates that the 2007 officer incentive compensation pool will be determined by computing 17.5% of Park's computed return on equity advantage and further increasing this pool based upon the increase in Park's fully diluted earnings per share for twelve-month period ended September 30, 2007 compared to the twelve-month period ended September 30, 2006. The following table indicates by how much the computed return on equity advantage would be increased for an increase in fully diluted earnings per share.

	Increase in Fully Diluted EPS	Increase in Incentive Compensation Pool
0 to 1.99%		0%
2 to 2.99%		.5%
3 to 3.99%		1.5%
4 to 4.99%		2.4%
5 to 5.99%		3.5%
6 to 6.99%		4.8%
7 to 7.99%		6.3%
8% and over		Equivalent to actual percentage (or portion thereof) increase

The Compensation Committee will determine the 2007 incentive compensation for Messrs. DeLawder, Trautman and Kozak based on their determination of how well Park performed in 2007 and their evaluation of the performance of each of Messrs. DeLawder, Trautman and Kozak.

Stock Option Plans

Historically, Park has made periodic (generally annual) grants of ISOs under the 1995 Plan and the 2005 Plan to executive officers to enhance the link between the creation of shareholder value and long-term executive compensation. Under the 2005 Plan, officers and other key employees of Park and Park's subsidiaries may be selected by the Compensation Committee to receive ISOs. As previously discussed, the 1995 Plan expired by its terms on January 16, 2005 and no further grants may be made under it. As of February 21, 2007, there were ISOs outstanding under the 2005 Plan covering an aggregate of 213,297 common shares and ISOs outstanding under the 1995 Plan covering an aggregate of 453,794 common shares.

For the 2006 fiscal year, there were no ISOs granted under the 2005 Plan. Notwithstanding the foregoing, the Compensation Committee and Park's management are in the process of reviewing Park's compensation program in conjunction with the Towers Perrin study, including incorporating equity-based and other long-term incentives that increase in value contingent upon increases in the per share price of Park's common shares.

No ISOs were granted during the 2006 fiscal year and management anticipates that few, if any, ISOs will be granted during the 2007 fiscal year. Effective January 1, 2006, Park adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (FAS 123R). This accounting standard requires that compensation expense be recognized for all stock options granted after January 1, 2006. This new accounting standard requiring the expensing of stock options has resulted in management not recommending the issuance of ISOs.

When ISOs were awarded in 2005, Park's management recommended to the Compensation Committee the number of ISOs to be granted to the officers and employees of Park. Park granted 228,150 stock options in 2005 and 232,178 stock options in 2004. The Compensation Committee approved management's recommendation for the total number of stock options to be issued. The stock options were divided among Park's affiliate banks based on asset size and contribution of earnings. Park's affiliate bank presidents recommended the distribution of the ISOs which was approved by Messrs. DeLawder and Trautman.

The Compensation Committee's procedure for timing ISO grants is designed to avoid grants ahead of the release of material nonpublic information and to ensure that grant timing cannot be manipulated to result in a price that is favorable to the employees of Park and Park's subsidiaries. Generally, the ISO grants have been made during the second quarter of the fiscal year and generally at least two weeks after earnings were released for the first quarter. The ISO grants were made during periods when Park's trading window has been open.

The exercise price of each ISO has been and will be equal to the closing price of Park's common shares as reported on AMEX on the date of grant. Each ISO has had and will have a term of five years. ISOs are exercisable at such times and subject to such restrictions and conditions as the Compensation Committee imposes at the time of grant. Typically, the ISOs vest immediately. Park does not reprice ISOs.

The 1995 Plan and the 2005 Plan contain special rules governing the time of exercise of ISOs in cases of normal retirement (which is defined for purposes of the 1995 Plan and the 2005 Plan as

separation from employment with Park and Park's subsidiaries on or after age 62), disability or death. In the case of normal retirement, all of an optionee's ISOs will become fully vested and may be exercised for a period of three months following the last day of employment, subject to the stated term of the ISOs. If an optionee dies while employed by Park and/or Park's subsidiaries, the optionee's ISOs will become fully vested and may be exercised for a period of 12 months following the date of death, subject to the stated term of the ISOs. If an optionee is terminated due to a long-term disability, the optionee's ISOs will become fully vested and may be exercised for a period of 12 months following the last day of employment, subject to the stated term of the ISOs. If an optionee is terminated for any reason other than normal retirement, long-term disability or death, all ISOs held by the optionee will be forfeited.

The 1995 Plan and the 2005 Plan also provide that, upon the occurrence of a defined change in control of Park, all outstanding ISOs (whether or not then exercisable) will become fully vested and exercisable as of the date of the change in control. Generally, a change in control is deemed to occur if:

any person (other than Park, one of Park's subsidiaries or an employee benefit plan of Park or a subsidiary) becomes the beneficial owner of, or acquires voting power with respect to, securities which represent 50% or more of the combined voting power of Park's outstanding securities;

the shareholders of Park approve a merger or consolidation of Park with or into another entity, in which Park is not the continuing or surviving entity or common shares of Park would be converted into cash, securities or other property of another entity, other than a merger or consolidation in which holders of Park common shares immediately prior to the merger or consolidation have the same proportionate ownership of the securities of the surviving entity; or

the shareholders of Park approve an agreement for the sale or disposition of all or substantially all of Park's assets (or any transaction having a similar effect).

At the time of exercise of any ISO, the optionee exercising the ISO is to enter into an agreement with Park pursuant to which the common shares acquired upon exercise of the ISO may not be sold, transferred or otherwise disposed of to any person other than Park or a subsidiary of Park for a period of five years after the exercise date. This restriction does not, however, apply in the event of the exercise of an ISO following the death, long-term disability or normal retirement of an optionee. In addition, if an optionee who acquired common shares upon the exercise of an ISO subsequently leaves the employment of Park and/or Park's subsidiaries by reason of death, long-term disability or normal retirement, the restrictions cease to apply to ISOs granted under the 2005 Plan.

Under the 2005 Plan, an optionee will forfeit all of the optionee's outstanding ISOs, as well as all common shares acquired through the exercise of ISOs on the date of termination of employment or within six months before and five years after the termination of employment, if the optionee:

without the Compensation Committee's written consent, renders services to, becomes the owner of, or serves (or agrees to serve) as an officer, director, consultant or employee of, a business that competes with any portion of Park's (or a subsidiary of Park's) business with which the optionee has been involved at any time within five years before the optionee's termination of employment with Park and/or Park's subsidiaries;

refuses or fails to consult with, supply information to or otherwise cooperate with Park or any subsidiary of Park after being requested to do so;

deliberately engages in any action that the Compensation Committee concludes has caused substantial harm to the interests of Park or any subsidiary of Park;

without the Compensation Committee's written consent, solicits or attempts to influence or induce any employee of Park and/or Park's subsidiaries to terminate his or her employment, or uses or discloses any information obtained while employed by Park and/or Park's subsidiaries concerning the names and addresses of employees;

without the Compensation Committee's written consent, discloses any confidential or proprietary information relating to the business affairs of Park and/or Park's subsidiaries;

fails to return all property (other than personal property) received by the optionee during his or her employment with Park and/or Park's subsidiaries; or

engages in conduct the Compensation Committee reasonably concludes would have given rise to termination of the optionee for cause (as defined in the 2005 Plan) if it had been discovered before the optionee terminated his or her employment with Park and/or Park's subsidiaries.

Retirement and Other Benefits

Defined Benefit Pension Plan

The Park National Corporation Defined Benefit Pension Plan (the Park Pension Plan) covers employees of Park's Principal Subsidiaries who have attained age 21 and completed one year of credited service.

Under the Park Pension Plan, annual benefits are paid in monthly installments for life with 120 months of payments guaranteed based on service until normal retirement. For purposes of the Park Pension Plan, an employee's normal retirement date is the earlier of the first day of the month coincident with or next following the employee reaching age 70 1/2 or the employee reaching age 65 and completing five years of service. The amount of annual normal retirement benefit to be paid in monthly installments to an eligible employee is the greater of:

29% of the average monthly compensation of the employee reduced for expected years of service at normal retirement less than 25; or

29% of the average monthly compensation plus 16% of the average monthly compensation in excess of one-twelfth of covered compensation reduced for expected years of service at normal retirement less than 35.

The average monthly compensation of an employee is calculated by averaging the highest five consecutive calendar years of compensation as reported on the employee's Forms W-2 during the ten calendar years preceding the date of determination. Salary and incentive compensation, including elective deferral contributions, are included in calculating an employee's monthly compensation for purposes of the Park Pension Plan.

In addition, the employees of certain of Park's bank subsidiaries participated in pension plans maintained for their benefit prior to the bank's being acquired by Park and the merger of the bank's pension plan into the Park Pension Plan. Benefits under the Park Pension Plan cannot be less than the

sum of the benefit provided under the merged pension plan and the Park Pension Plan based on years of service since the date of merger of the two plans.

Applicable provisions of the Internal Revenue Code currently limit the amount of annual compensation used to determine plan benefits under a defined benefit pension plan, such as the Park Pension Plan, and the amount of plan benefits payable annually under such a plan. Total compensation in excess of the limit will not be taken into account for benefit calculation purposes. The average of the maximum annual total compensation which may be used in determining plan benefits under qualified defined benefit plans for the past five years is \$207,000. The 2007 monthly rate of total compensation used to determine benefits is limited to \$18,750 per month, which is the equivalent of an annual total compensation of \$225,000.

If an employee elects to retire after completing ten years of service and reaching 55 years of age, the employee may receive a monthly benefit for life with 120 months of payments guaranteed beginning at his or her normal retirement date equal to the accrued benefit at the early retirement date. Payments to the employee may begin immediately, with the benefit being reduced one fifteenth (1/15th) for the first five years and one thirtieth (1/30th) for the next five years. For purposes of the Park Pension Plan, the accrued benefit at any time prior to an employee's normal retirement date is the normal retirement benefit as described above multiplied by a fraction, the numerator of which is the employee's total years of service as of the date of determination and the denominator of which is the employee's expected years of service at normal retirement.

An employee may continue employment with Park and/or Park's subsidiaries after his or her normal retirement date. In such an event, the employee will receive the benefit he or she would have received on his or her normal retirement date actuarially increased to reflect delayed payment. Notwithstanding the foregoing, the benefit received by such an employee will not be less than the benefit accrued at delayed retirement reflecting service and compensation to such date.

Upon the termination of employment after five or more years, an employee has a vested interest in his or her accrued benefit which will be payable on the normal retirement date. An employee will have no vested interest if he or she terminates employment after less than five years of service with Park and/or Park's subsidiaries. An employee who terminates employment with ten or more years of service with Park and/or Park's subsidiaries may elect to receive his or her vested interest as early as age 55.

If an employee become totally and permanently disabled prior to his or her normal retirement date and retires after being determined to be disabled by the Compensation Committee for at least six months, he or she will receive a disability retirement benefit equal to his or her accrued benefit at disability reduced actuarially for payment preceding normal retirement.

In the event of a married employee's death after the completion of five years of service, but prior to meeting the eligibility requirements for early retirement, the participant will be assumed to have terminated employment the day before his or her death, survived to his or her early retirement date, elected a joint and one-half survivor benefit, and passed away the following day. If an unmarried employee dies prior to the early retirement age, the survivor annuity will be 50% of the 10-year certain and life annuity payable to such employee if such employee had terminated employment one day prior to his or her death.

In the event of a married employee's death after meeting the requirements for early retirement, his or her surviving spouse will receive one-half of the joint and one-half survivor benefit calculated on the day before his or her death. If an unmarried employee or unmarried inactive employee dies on or

after the early retirement age, the survivor annuity will be computed as if he or she started receiving a 10-year certain and life annuity on the day before his or her death.

For a vested terminated employee, death benefits are calculated the same as for active employees, but based on the employee's accrued benefit at his or her termination date.

An eligible employee of Park and/or one of Park's subsidiaries may opt to receive his or her benefits pursuant to the following methods of settlement that are actuarially equivalent to the normal form of annuity:

a benefit to be paid during the employee's lifetime with one-half of the benefit to be continued to the employee's spouse for his or her lifetime after the employee's death;

a benefit to be paid during the employee's lifetime with a percentage of the benefit or the same benefit to be continued to the employee's spouse for his or her lifetime after the employee's death;

a benefit payable in equal installments during the employee's lifetime;

a benefit to be paid for 60, 120 or any number of months certain and thereafter for life; or

an unlimited lump sum settlement for retirees and a lump sum settlement under \$5,000 for vested employees who have not yet retained retirement age.

It is not possible for an employee's credited years of service under the Park Pension Plan to exceed the employee's actual years of service with Park and/or Park's subsidiaries. Mr. DeLawder is eligible for early retirement benefits under the Park Pension Plan.

The estimated lump sum present value benefit payment to which Mr. DeLawder would have been entitled under the Park Pension Plan as of December 31, 2006 was \$468,024. Messrs. Trautman and Kozak are not eligible to receive a lump sum present value benefit payment from the Park Pension Plan until they reach age 55 and they must continue to be employed by Park until age 55.

SERP

Park adopted the Park National Corporation Supplemental Executive Retirement Plan (the *SERP*) in December 1996. The *SERP* currently benefits 30 current and former officers of Park and Park's subsidiaries, including Messrs. DeLawder and Kozak. Mr. Trautman does not participate in the *SERP*. The *SERP* is a non-qualified benefit plan designed to restore benefits lost due to limitations under the Internal Revenue Code on the amount of compensation covered by and the benefits payable under a defined benefit plan such as the Park Pension Plan.

Each of the *SERP* participants, including Messrs. DeLawder and Kozak, are parties to a Supplemental Executive Retirement Plan Agreement (the *SERP Agreement*) by and between the participant and Park.

Pursuant to the *SERP Agreement*, if a participant continues to be employed by Park or Park's subsidiaries until the participant reaches the normal retirement age of 62, the participant is entitled to receive the balance of his pre-retirement account (as defined below) in fifteen annual installments commencing thirty days following the participant's normal retirement date. Participants may elect to receive the balance in their pre-retirement account in any number of years that is less than fifteen years,

provided that the election is made in writing to Park or Park's subsidiaries no less than one year prior to their retirement date.

For purposes of the SERP, a pre-retirement account is established as a liability reserve account on the books of Park or Park's subsidiaries for the benefit of the participant. Prior to (i) the voluntary resignation by the participant or the termination of the participant without cause by Park or Park's subsidiaries before reaching the age of 62 or (ii) the participant's retirement, such liability reserve account is increased or decreased each plan year by an amount equal to the annual earnings or loss for that plan year determined by the index (which shall be the aggregate annual after-tax income from the life insurance contracts described below as defined by FASB Technical Bulletin 85-4) for any plan year for the participant.

In addition to the payment of annual installments from the participant's pre-retirement account discussed above, a participant is also entitled to receive the index retirement benefit (as defined below) annually commencing with the plan year in which the participant attains the participant's retirement date until the participant's death. An index retirement benefit for a participant for any year is equal to the excess of the annual earnings (if any) determined by the index, less the opportunity cost for that plan year. The opportunity cost for any plan year is calculated by taking the sum of (i) the amount of the premiums set forth in the indexed life insurance premiums *plus* (ii) the amount of any after-tax benefits paid to the participants pursuant to the SERP Agreement *plus* (iii) the amount of all previous years after-tax opportunity cost, and multiplying that sum by the average after-tax yield of a 90-day Treasury bill for the plan year.

If a participant voluntarily resigns, is terminated without cause or is terminated with cause (as defined in the SERP Agreement) prior to reaching the age of 62, all benefits under the SERP Agreement are forfeited.

If a participant begins to draw benefits from Park's Long Term Disability Plan, for as long as the participant remains disabled, a participant may elect to be paid the balance of his pre-retirement account in equal annual installments from the time the participant begins to draw benefits until the participant reaches the age of 62. From and after the age of 62, the participant will be paid the index retirement benefit annually until the participant's death.

If a participant dies prior to having received the full balance of the participant's pre-retirement account, such unpaid balance shall be paid in a lump sum to the beneficiary selected by the participant and filed with Park or Park's subsidiaries. In the absence of or a failure to designate a beneficiary, the unpaid balance will be paid in a lump sum to the personal representative of the participant's estate.

Upon the cumulative transfer of more than fifty percent of the voting stock of Park or Park's subsidiaries from the effective date of the SERP Agreements (a change of control), if a participant's employment is subsequently terminated then the participant will receive the benefits set forth under the SERP Agreement upon reaching the normal retirement age of 62, as if the participant had been continuously employed by Park or its Subsidiaries until his normal retirement age. Further, a participant also remains eligible for all promised death benefits set forth in the SERP Agreement. For purposes of the SERP Agreement, transfers on account of death or gifts, transfers between family members or transfers to a qualified retirement plan maintained by Park or Park's subsidiaries will not be considered in determining whether there has been a change in control.

Pursuant to the SERP Agreements, Park and Park's subsidiaries have no obligation to set aside any funds with which to pay its obligations under the Agreement. The participants, their beneficiaries and any successors in interest will be a general creditor of Park and Park's subsidiaries in the same manner as

any other creditor having a general claim for matured and unpaid compensation. Park and Park's subsidiaries reserve the absolute rights at its sole discretion to either fund the obligations undertaken by the SERP Agreements or refrain from funding the same and to determine the exact nature and method of such funding.

Park has purchased life insurance contracts to fund the SERP. The SERP is designed to provide an annual targeted retirement benefit of approximately \$128,000 and \$4,000 for Messrs. DeLawder and Kozak, respectively. As indicated above, these additional benefits are not guaranteed and are dependent upon the earnings from the related life insurance contracts compared to the average yield on three-month Treasury bills. The SERP also provides a life insurance benefit for current or former officers of Park and Park's subsidiaries participating in the SERP who die before age 86. The amount of this life insurance benefit will be equal to the present value of the stream of future benefits which would have been paid to the individual until age 86 but had not been paid at the time of the individual's death. If the amount of this life insurance benefit were computed as of December 31, 2006, the life insurance benefit for Mr. DeLawder would have been \$1.872 million and the life insurance benefit for Mr. Kozak would have been \$31,500.

Potential Payments upon Change in Control

None of Park's executive officers is entitled to payment of any benefits upon a change in control of Park. As discussed above, the 1995 Plan and the 2005 Plan provide that upon a defined change in control of Park, all then outstanding ISOs will become fully vested and exercisable. As of the date of this proxy statement, all of the ISOs held by Park's executive officers were vested.

Park KSOP

The executive officers of Park are eligible to participate in the Park KSOP on the same basis as all other eligible employees. Employees of Park and Park's Principal Subsidiaries who have reached age 18 and completed one year of service are eligible to participate in the Park KSOP. The Park KSOP is intended to meet the requirements of Sections 401(a) and 401(k) of the Internal Revenue Code and to also constitute an employee stock ownership plan (ESOP) under Section 4975(e)(7) of the Internal Revenue Code.

The Park KSOP permits each participant to defer up to 25 percent of his or her eligible compensation on a pre-tax basis, subject to additional limits set forth in the Internal Revenue Code. Each plan year, Park may, but is not required to, make matching contributions based on the percentage of salary deferral contributions made to the Park KSOP by a participant. For the 2006 fiscal year, the employer matching contribution was 50% of employee pre-tax salary deferral contributions, subject to the applicable statutory limitations. For the 2007 fiscal year, the employer matching contributions will continue to be 50% of employee pre-tax salary deferral contributions (but only up to 12% of the employee's compensation), subject to the applicable statutory limitations. Participants may also make rollover contributions from certain other eligible retirement plans to the Park KSOP.

All salary deferral and matching contributions made on and after January 1, 2002 are initially invested in common shares of Park. Effective on and after January 1, 2007, participants are given the option to transfer amounts invested in common shares of Park to other investment options offered by the Park KSOP as of the first day of each calendar quarter. Participants are given the right to instruct the trustee of the Park KSOP, confidentially, as to how the common shares in their respective accounts are to be voted on matters where Park common shares generally may be voted.

Participants' accounts under the Park KSOP may be distributed after cessation of employment, including after death, disability, termination of employment or retirement. In-service distributions may be made upon reaching age 59^{1/2} or to satisfy a financial hardship.

Distributions from the Park KSOP upon cessation of employment may be in the form of a lump sum or in periodic installments. Participants whose KSOP accounts hold common shares of Park may elect to receive a distribution in the form of common shares.

The estimated lump sum value of the amounts to which Messrs. DeLawder, Trautman and Kozak would have been entitled under the Park KSOP as of December 31, 2006 are \$1,007,226, \$562,716 and \$309,016, respectively.

Split-Dollar Insurance Policies

Park National Bank maintains split-dollar life insurance policies on behalf of Messrs. DeLawder, Trautman and Kozak, in their respective capacities as executive officers. Park National Bank will receive proceeds under each policy in an amount equal to the premiums paid up to the date of death plus earnings accrued in respect of the policy since the inception of the policy. Each of Messrs. DeLawder, Trautman and Kozak has the right to designate the beneficiary to whom his share of the proceeds under the policy (approximately two times his highest annual total compensation during his employment with Park National Bank) is to be paid. Each policy remains in effect following the covered individual's retirement as long as the covered individual is fully vested in the Park Pension Plan, has reached age 62, has not been employed by another financial services firm and was not terminated for cause. If Mr. DeLawder's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$1,856,960. If Mr. Trautman's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$1,228,432. If Mr. Kozak's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$715,851.

Perquisites and Other Personal Benefits

All of the executive officers of Park are eligible to participate in all of the employee benefit programs maintained by Park and Park National Bank, including medical, dental and disability insurance plans, on the same terms as all other employees of Park and Park National Bank. In addition, Mr. DeLawder was provided with an automobile owned by Park National Bank for his personal and professional use during the entire 2006 fiscal year. Mr. Trautman was provided with an automobile owned by Park National Bank for his personal and professional use during approximately the first five and one-half months of the 2006 fiscal year and received a \$745 monthly automobile allowance for the approximately last six and one-half months of the 2006 fiscal year. For the 2007 fiscal year, Messrs. DeLawder and Trautman will not have the use of company-owned automobiles, but will receive an automobile allowance of \$745 per month.

Tax and Accounting Implications

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code prohibits Park from claiming a deduction on its federal income tax return for compensation in excess of \$1,000,000 paid for a given year to the chief executive officer and the four other most highly compensated officers, other than the chief executive officer, serving at the end of Park's fiscal year. The \$1,000,000 compensation deduction limitation does not apply to performance-based compensation. None of Park's executive officers received more than \$1,000,000 of compensation from Park and Park National Bank for the 2006 fiscal year.

Park does not have a policy that requires all compensation payable in respect of the 2006 fiscal year and thereafter to the covered executive officers to be deductible under Section 162(m) of the Internal Revenue Code. Park has not attempted to revise the incentive compensation plan or the 1995 Plan to satisfy the performance-based compensation exceptions but may consider doing so in the future if compensation paid thereunder would otherwise not be deductible under Section 162(m) and such provisions would not distort or discourage the existing incentives for performance that enhance the value of Park and Park's subsidiaries. The design and administration of the 2005 Plan are intended to qualify any compensation which may be attributable to participation thereunder as performance-based compensation. In all cases, Park will continue to carefully consider the net cost and value to Park and Park's subsidiaries of their respective compensation policies as they relate to deductibility limitations under Section 162(m).

Nonqualified Deferred Compensation

On October 22, 2004, the American Jobs Creation Act of 2004 was signed into law, changing the tax rules applicable to nonqualified deferred compensation arrangements. While the final regulations have not become effective yet, Park believes it is operating in good faith compliance with the statutory provisions which were effective January 1, 2005.

Accounting for Stock-Based Compensation

Park adopted FAS 123R on January 1, 2006 using the modified prospective method.

Other Information

Park has no equity or security ownership requirements or guidelines for executive officers and no policies regarding hedging the economic risk of any ownership of Park common shares. Park does believe that it is important that the executive officers own common shares, and all of the executive officers own a number of common shares which represents a significant investment in Park.

If the relevant company performance measures, upon which an award or payment is based, are restated or otherwise adjusted in a manner that would reduce the size of the award or payment, the Compensation Committee has the discretion to determine whether, and to what extent, the award or payment will be adjusted, or recovered if already made, to reflect the restatement or adjustment of the relevant company performance measures.

Compensation Committee Report

The Compensation Committee of Park's Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the members of the Compensation Committee:

J. Gilbert Reese (Chair)

John J. O'Neill

Leon Zazworsky

Summary Compensation Table

The following table summarizes the total compensation awarded or paid to, or earned by, each of the named executive officers of Park for the 2006 fiscal year. Dollar amounts have been rounded down to the nearest whole dollar. Park has not entered into any employment agreements with any of its executive officers. No option awards or stock awards were made to the named executive officers for the 2006 fiscal year.

In the 2006 fiscal year, the base salary was approximately 43%, 47% and 45% of the total compensation for Mr. DeLawder, Mr. Trautman and Mr. Kozak, respectively, and the bonus was approximately 44%, 48% and 48 of the total compensation for Mr. DeLawder, Mr. Trautman and Mr. Kozak, respectively.

Summary Compensation Table for 2006

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(2)	All Other Compensation (\$)	Total (\$)
C. Daniel DeLawder Chairman of the Board and Chief Executive Officer of Park and Park National Bank	2006	\$464,240	\$473,525	\$124,496	\$14,001 (3)	\$1,076,262
David L. Trautman President and Secretary of Park and President of Park National Bank	2006	\$307,108	\$313,250	\$15,294	\$13,780 (4)	\$649,432
John W. Kozak Chief Financial Officer of Park and Senior Vice President and Chief Financial Officer of Park National Bank	2006	\$200,500	\$214,455	\$26,099	\$8,282 (5)	\$449,336

(1) The amounts shown reflect the amounts earned (in respect of the 2006 fiscal year performance) under Park's incentive compensation plan, which is discussed in further detail beginning on page 32 under the heading

*Incentive
Compensation
Plan.*

- (2) The amounts shown reflect the aggregate change in the actuarial present value of the named executive officer's accumulated benefits under the Park Pension Plan and, in the case of Messrs. DeLawder and Kozak, the SERP, determined using interest rate and mortality rate assumptions consistent with those used in Park's consolidated financial statements. The benefits to be provided under the Park Pension Plan and the SERP are more fully described under the headings *Defined Benefit Pension Plan* and *SERP* beginning on pages 37 and 39, respectively.

(3) The amount shown reflects:

\$2,939, representing the amount of the premium deemed to have been paid on behalf of Mr. DeLawder under the split-dollar life insurance policy maintained on his behalf by Park National Bank which is discussed in more detail beginning on page 42 under the heading *Split-Dollar Insurance Policies* ;

\$7,500, representing the contribution to the Park KSOP on Mr. DeLawder's behalf to match his 2006 pre-tax elective deferral contributions;

\$2,115, representing the amount of the premium deemed to have been paid on behalf of Mr. DeLawder under the life insurance contract which funds his account under the SERP; and

\$1,447, representing the aggregate incremental cost to Park National Bank of the automobile which Park National Bank provided to Mr. DeLawder for his personal and professional use. This amount was computed from the IRS tables based on the percentage of personal use of the automobile.

(4) The amount shown reflects:

\$784, representing the amount of the premium deemed to have been paid on behalf of Mr. Trautman under the split-dollar life insurance policy maintained on his behalf by Park National Bank which is discussed in more detail beginning on page 42 under the heading *Split-Dollar Insurance Policies* ;

\$7,500, representing the contribution to the Park KSOP on Mr. Trautman's behalf to match his 2006 pre-tax elective deferral contributions; and

\$5,496, representing the sum of: (i) the aggregate incremental cost to Park National Bank of the automobile which Park National Bank provided to Mr. Trautman for his personal and professional use during the first approximately five and one-half months of the 2006 fiscal year (\$682), computed from the IRS tables based on the percentage of personal use of the automobile, and (ii) the aggregate amount of \$4,814 representing the \$745 monthly automobile allowance he received for approximately the last six and one-half months of the 2006 fiscal year.

(5) The amount shown reflects:

\$759, representing the amount of the premium deemed to have been paid on behalf of Mr. Kozak under the split-dollar life insurance policy maintained on his behalf by Park National Bank which is discussed in more detail beginning on page 42 under the heading *Split-Dollar Insurance Policies* ;

\$7,500, representing the contribution to the Park KSOP on Mr. Kozak's behalf to match his 2006 pre-tax elective deferral contributions; and

\$23, representing the amount of the premium deemed to have been paid on behalf of Mr. Kozak under the life insurance contract which funds his account under the SERP.

Grants of Plan-Based Awards

As discussed under the heading *Stock Option Plans* beginning on page 35, no ISOs were granted to any of the named executive officers during the 2006 fiscal year.

Park does not maintain any non-equity incentive plans or equity incentive plans as those terms are defined under Item 402(a)(6) of SEC Regulation S-K.

Outstanding ISOs at Fiscal Year-End

The following table sets forth the number of unexercised ISOs held by each of the named executive officers at the end of the 2006 fiscal year. Park has never granted any other form of equity-based award to the named executive officers.

Outstanding Equity Awards At Fiscal Year-End for 2006

Name	Number of Securities Underlying Unexercised Options (#) Exercisable (1)(2)	Option Awards		
		Number of Securities Underlying Unexercised Unearned Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
C. Daniel DeLawder	47		\$ 93.24	05/10/2007
	1,139		\$ 87.76	06/06/2007
	928		\$ 107.62	02/28/2009
	900		\$ 107.85	06/21/2010
David L. Trautman	27		\$ 93.81	04/26/2007
	1,139		\$ 87.76	06/06/2007
	909		\$ 109.95	04/30/2009
	900		\$ 107.85	06/21/2010
John W. Kozak	1,139		\$ 87.76	06/06/2007
	565		\$ 97.52	05/09/2008
	912		\$ 109.52	05/06/2009
	900		\$ 107.85	06/21/2010

(1) Where appropriate, the number of common shares underlying unexercised ISOs and the option exercise price have been adjusted to reflect the 5% share dividend

distributed by
Park on
December 15,
2004.

- (2) All of the reported ISOs were fully vested and exercisable at the end of the 2006 fiscal year.

Exercises of ISOs

The following table sets forth information regarding ISOs that were exercised during the 2006 fiscal year by each of the named executive officers. Park has never granted any other form of equity-based award to the named executive officers.

Option Exercises for 2006

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)
C. Daniel DeLawder	2,393	\$ 43,730
David L. Trautman	1,827	\$ 24,096
John W. Kozak	1,155	\$ 13,641

(1) The value realized is the difference between the closing price of Park's common shares on AMEX at the time of exercise and the option exercise price (adjusted for stock dividends), times the number of common shares acquired on exercise.

Post-Employment Payments and Benefits***Pension and Supplemental Benefits***

The following table shows the actuarial present value of each named executive officer's accumulated benefit, including the number of years of service credited to each such named executive officer, under each of the Park Pension Plan and the SERP, determined using interest rate and mortality rate assumptions consistent with those used in Park's consolidated financial statements and summarized in Note 12 of the Notes to Consolidated Financial Statements located on pages 56 and 57 of Park's 2006 Annual Report. Further information regarding the Park Pension Plan and the SERP can be found under the headings *Defined Benefit Pension Plan* and *SERP* beginning on pages 37 and 39, respectively.

Pension Benefits for 2006

Name	Plan Name	Number of Years Credited	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
C. Daniel DeLawder	Park Pension Plan (1)	36	\$ 413,648	\$ 0
	SERP	10	\$ 305,684	\$ 0
David L. Trautman	Park Pension Plan	23	\$ 129,261	\$ 0
	SERP(2)			
John W. Kozak	Park Pension Plan	27	\$ 211,357	\$ 0
	SERP	10	\$ 4,145	\$ 0

(1) Mr. DeLawder is eligible for early retirement under the Park Pension Plan. The present value of his early retirement benefit was \$468,024 at December 31, 2006. This value increased by \$51,207 during the 2006 fiscal year.

(2) Mr. Trautman does not participate in the SERP.

Nonqualified Deferred Compensation

At December 31, 2006, Park had an accrued liability for incentive compensation that had been approved by the Compensation Committee but not paid to certain of the officers of Park and Park's subsidiaries. This incentive compensation pertains primarily to incentive compensation earned prior to 2002. The entire pool of earned but unpaid incentive compensation, in the amount of \$764,000 at the end of the 2006 fiscal year, relates to approximately 200 officers. The unpaid incentive compensation accrues no interest or other earnings prior to the time of payment. The amounts shown for Messrs. DeLawder, Trautman and Kozak represent their cumulative proportionate share of the unpaid pool, calculated by their incentive compensation as a percentage of each year's pool. The pool resulted from a

previous method of calculating incentive compensation. As Park has adopted a new calculation, the pool will be extinguished and will be paid out in 2007.

The following table shows the share of the pool of earned but unpaid incentive compensation attributed to each of the named executive officers at the end of the 2006 fiscal year.

Nonqualified Deferred Compensation for 2006

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year End \$(1)
C. Daniel DeLawder					\$ 188,195
David L. Trautman					\$ 35,365
John W. Kozak					\$ 8,544

(1) None of the amounts shown has previously been reported as compensation to the named executive officer in Park's Summary Compensation Table for previous years.

Potential Payouts upon Termination of Employment or Change in Control

The provisions of the 1995 Plan and the 2005 Plan governing the impact of a change in control of Park or termination of employment of an executive officer upon the executive officer's outstanding ISOs are described under the heading Stock Option Plans beginning on page 35.

The provisions of the SERP Agreement addressing the impact of a change of control and the subsequent termination of a participant under the SERP are described under the heading SERP beginning on page 39.

Regardless of the manner in which a named executive officer's employment terminates, he is entitled to receive amounts earned during his term of employment. Such amounts would include:

incentive compensation earned but unpaid under Park's incentive compensation plan;

the balance of the executive officer's account under the Park KSOP;

unused vacation pay; and

amounts accrued and vested under the Park Pension Plan paid in accordance with the terms of the Park Pension Plan, as discussed in more detail beginning on page 37 under the heading Defined Benefit Pension Plan.

If a named executive officer retires after reaching age 55, in addition to the items identified in the preceding paragraph, the named executive officer will be entitled to receive a lump sum payment of the present value of the benefit to which he would have been entitled under the Park Pension Plan, as discussed in more detail beginning on page 37 under the heading Defined Benefit Pension Plan.

If a named executive officer retires after reaching age 62, in addition to the items identified in the preceding paragraphs, the named executive officer will receive:

the life insurance and other benefits provided to him under the SERP, if he is a participant in the SERP, as discussed in more detail beginning on page 39 under the heading *SERP* ; and

continued coverage under the split-dollar life insurance policy maintained on his behalf by Park National Bank, as discussed in more detail beginning on page 42 under the heading *Split-Dollar Insurance Policies*.

In the event of the death or disability of a named executive officer, in addition to the benefits identified in the preceding paragraph(s), the named executive officer or his beneficiary, as appropriate, will receive:

benefits under Park's disability insurance plan;

the life insurance and other benefits provided to him under the SERP, if he is a participant in the SERP, as discussed in more detail beginning on page 39 under the heading *SERP* ; and

his share of the proceeds under the split-dollar life insurance policy maintained on his behalf by Park National Bank, as discussed in more detail beginning on page 42 under the heading *Split-Dollar Insurance Policies*.

DIRECTOR COMPENSATION

Park uses a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board of Directors. To align the interests of Park's directors and shareholders, Park's Regulations require that all directors of Park be shareholders. Park does not have a requirement which addresses the number of common shares that need to be retained by directors.

Annual Retainer and Meeting Fees

Each director of Park who is not an employee of Park or one of Park's subsidiaries (a non-employee director) currently receives, on the date of the regular meeting of the Park Board of Directors held during the fourth fiscal quarter, an annual retainer in the form of 120 common shares awarded under the Park National Corporation Stock Plan for Non-Employee Directors of Park National Corporation and Subsidiaries (the Directors Stock Plan). At the January 17, 2006 meeting of the Park Board of Directors, the Board approved an increase in the cash compensation to be paid to non-employee directors from that which had been paid during the fiscal year ended December 31, 2005. Since January 18, 2006, each non-employee director has received \$1,000 for each meeting of the Park Board of Directors attended and \$400 for each meeting of a committee of the Park Board of Directors attended. If the date of a meeting of the full Board of Directors is changed from that provided for by resolution of the Board and a non-employer director is not able to attend the rescheduled meeting, he or she receives the meeting fee as though he or she attended the meeting. In addition, since January 18, 2006, each member of the Executive Committee of the Park Board of Directors has received a \$2,500 annual cash retainer and each member of the Audit Committee of the Park Board of Directors (other than the Chair) has received a \$2,000 annual cash retainer. Since January 18, 2006, the Chair of the Audit Committee has received a \$5,000 annual cash retainer.

Each non-employee director of Park also serves on the board of directors of one of Park's bank subsidiaries, and receives, on the date of the regular meeting of the Park Board of Directors held during the fourth fiscal quarter, an annual retainer in the form of 60 common shares of Park awarded under the Directors' Stock Plan and, in some cases, a specified amount of cash for such service as well as fees for attendance at meetings of the board of directors of the appropriate Park bank subsidiary (and committees of that board).

C. Daniel DeLawder, William T. McConnell, William A. Phillips and David L. Trautman receive no compensation for serving as members of the Board of Directors of Park or of any subsidiary of Park.

Split-Dollar Life Insurance Policies

The Park bank subsidiaries maintain split-dollar life insurance policies on behalf of those Park directors who are not or have not been executive officers of Park or one of Park's subsidiaries (with the exception of Nicholas L. Berning) in their respective capacities as directors of a Park bank subsidiary. The Park bank subsidiary for which such an individual also serves as a director will receive proceeds under the policy in an amount equal to the premiums paid up to the date of death plus earnings accrued in respect of the policy since the inception of the policy. Each non-employee director (other than Mr. Berning) has the right to designate the beneficiary to whom his or her share of the proceeds under the policy (\$100,000) is to be paid. A director becomes fully vested under his or her policy after three years of service with the bank subsidiary.

Park National Bank maintains split-dollar life insurance policies on behalf of C. Daniel DeLawder, William T. McConnell and David L. Trautman, in their respective capacities as executive officers (and, in the case of Mr. McConnell, a former executive officer) of Park National Bank. Century National Bank maintains a split-dollar life insurance policy on behalf of William A. Phillips in his capacity as a former executive officer of Century National Bank. Park National Bank or Century National Bank, as appropriate, will receive proceeds under each policy in an amount equal to the premiums paid up to the date of death plus earnings accrued in respect of the policy since the inception of the policy. Each of Messrs. DeLawder, McConnell, Phillips and Trautman has the right to designate the beneficiary to whom his share of the proceeds under the policy (approximately two times his highest annual total compensation during his employment with Park National Bank or Century National Bank, as appropriate) is to be paid. Each policy remains in effect following the covered individual's retirement as long as the covered individual is fully vested in the Park Pension Plan, has reached age 62, has not been employed by another financial services firm and was not terminated for cause. If Mr. DeLawder's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$1,856,960. If Mr. McConnell's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$1,455,000. If Mr. Phillips' share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$319,405. If Mr. Trautman's share of the proceeds under his policy were computed as of December 31, 2006, his share would have been \$1,228,432.

Security National Bank maintains a split-dollar life insurance policy on behalf of Mr. Egger, in his capacity as a former executive officer of Security National Bank. Security National Bank will receive proceeds under the policy in an amount equal to the premiums paid up to the date of death plus earnings accrued in respect of the policy since the inception of the policy. Mr. Egger has the right to designate the beneficiary to whom his share of the proceeds under the policy (approximately three and one-half times his highest annual total compensation during his employment with Security National Bank or \$1,597,341) is to be paid. Mr. Egger's policy remained in effect following his retirement as an executive officer of Security National Bank on March 31, 2003.

Change in Control Payments

None of the current directors of Park is entitled to payment of any benefits upon a change in control of Park other than William T. McConnell. If Mr. McConnell's employment is terminated upon a change in control, he is entitled to receive the benefits set forth in the Supplemental Executive Retirement Plan Agreement by and between Mr. McConnell and Park or a wholly-owned subsidiary of Park as described under the heading *SERP* beginning on page 39.

Other Compensation

C. Daniel DeLawder and David L. Trautman currently serve as executive officers of Park and of Park National Bank. Please see the discussion of their compensation as executive officers under the heading **EXECUTIVE COMPENSATION** beginning on page 28.

William T. McConnell is employed by Park National Bank in a non-executive officer capacity. In such capacity, he received the amount of \$33,000 during the 2006 fiscal year. William A. Phillips is employed by Century National Bank in a non-executive officer capacity. In such capacity, he also received the amount of \$33,000 during the 2006 fiscal year. Each of Messrs. McConnell and Phillips is eligible to participate in the employee benefit programs maintained by Park and the Park subsidiary employing him, including medical, dental and disability insurance plans, on the same terms as all other employees of Park and the applicable Park subsidiary. Messrs. McConnell and Phillips no longer participate in the Park Pension Plan. In 1998, each received a lump sum distribution in respect of the benefits payable to him in accordance with the terms of the Park Pension Plan, after reaching age 65. Mr. McConnell participates in the SERP, which is designed to provide a targeted annual retirement benefit to him of approximately \$53,000. Please see the discussion of the SERP under the heading *SERP* beginning on page 39. Mr. Phillips does not participate in the SERP. Each of Messrs. McConnell and Phillips continues to participate in the Park KSOP. Please see the description of the Park KSOP under the heading *Park KSOP* beginning on page 41.

Harry O. Egger was formerly an executive officer of Security National Bank. Since his retirement, Mr. Egger has received and will continue to receive a monthly pension benefit under the Park Pension Plan of \$6,318.86. Until his retirement on March 31, 2003, Mr. Egger was party to an employment agreement with Security National Bank. Under the terms of the employment agreement, Mr. Egger receives an annual supplemental retirement benefit in the amount of \$153,320, which he will be paid for the remainder of his life.

The following table summarizes the compensation paid by Park to the non-executive officer directors of Park for service on the Board of Directors of Park and the board of directors of a Park bank subsidiary during the 2006 fiscal year:

Director Compensation for 2006

Name (1)	Fees Earned or Paid in		Change in Pension Value and Nonqualified Deferred Compensation	All Other	Total (\$)
	Cash (\$)	Stock Awards (\$ (2))	Earnings (\$)	Compensation (\$)	
Nicholas L. Berning	\$ 1,000				\$ 1,000
Maureen Buchwald	\$22,700	\$ 17,894		\$ 1,070(3)	\$41,664
James J. Cullers	\$12,200	\$ 17,894		\$ 1,185(3)	\$31,279
Robert E. Dixon (4)	\$ 1,500				\$ 1,500
Harry O. Egger	\$ 6,800(5)	\$ 17,894	\$ 28,422(6)	\$ 4,888(3)	\$58,004
F. William Englefield IV	\$21,550	\$ 17,894		\$ 136(3)	\$39,580
William T. McConnell				\$47,916(7)	\$47,916
Michael J. Menzer (8)	\$15,050			\$ 66(3)	\$15,116
John J. O Neill	\$21,450	\$ 17,894		\$ 3,137(3)	\$42,481
William A. Phillips				\$36,132(9)	\$36,132
J. Gilbert Reese	\$17,650	\$ 17,894		\$ 1,911(3)	\$37,455
Rick R. Taylor	\$10,150	\$ 17,894		\$ 225(3)	\$28,269
Leon Zazworsky	\$32,550	\$ 17,894		\$ 210(3)	\$50,654

(1) C. Daniel DeLawder, Park s Chairman of the Board and Chief Executive Officer, and David L. Trautman, Park s President and Secretary, are not included in this table as they are executive officers of Park and Park National Bank and thus receive no compensation for their services as directors. The compensation received by Messrs. DeLawder and Trautman as executive officers of Park and Park

National Bank is shown in the Summary Compensation Table on page 44.

- (2) Represents the closing price of Park's common shares on AMEX on November 7, 2006 (\$99.41) times the number of common shares granted on that date in the form of an annual retainer under the Director's Stock Plan. This amount also represents the grant date fair value of the common shares awarded computed in accordance with FAS 123R. The following non-employee directors received 180 common shares of Park as an annual retainer: Maureen Buchwald; James J. Cullers; Harry O. Egger; F. William Englefield IV; John J. O'Neill; J. Gilbert Reese; Rick R. Taylor; and Leon Zazworsky.
- (3) Reflects the amount of premium deemed to have been paid on behalf of the named director under the split-dollar life insurance policy

maintained on his
or her behalf.

- (4) Mr. Dixon served
as a director of
Park from April 17,
2006 to
October 25, 2006.

- (5) Mr. Egger elected to defer the fees he would have received for his services as a director of Security National Bank during the 2006 fiscal year (in the aggregate amount of \$6,800) under the Security National Bank and Trust Co. Amended and Restated 1988 Deferred Compensation Plan (the Security Deferred Compensation Plan), which was assumed by Park in connection with Park's merger with Security National Bank. The Security Deferred Compensation Plan permits directors and officers of Security National Bank to defer any percentage of salary, director's fees or other compensation. Deferred amounts are credited to a deferred

compensation
account
maintained by
Security
National Bank
for the
participant and
are treated as
though invested
in one or more
designated
eligible
investments
selected by the
participant.

- (6) During the 2006 fiscal year, earnings in the amount of \$28,422 were accrued in respect of the cumulative amount which has been deferred for Mr. Egger's account under the Security Deferred Compensation Plan. The proceeds of Mr. Egger's deferred compensation account will be distributed to him in cash upon the termination of his service on the Security National Bank Board of Directors. As of December 31, 2006, the cumulative amount accrued

for Mr. Egger's account under the Security Deferred Compensation Plan was \$742,268.

The aggregate change in the actuarial present value of Mr. Egger's accumulated benefits under the Park Pension Plan and the terms of his employment agreement providing for an annual supplemental retirement benefit, determined using interest rate and mortality rate assumptions consistent with those in Park's consolidated financial statements, decreased by \$73,387 during the 2006 fiscal year. During the 2006 fiscal year, Mr. Egger received pension benefits under the Park Pension Plan in the aggregate amount of \$75,826 and a supplemental retirement benefit under

the terms of his employment agreement in the amount of \$153,320.

- (7) Represents the sum of: (a) \$9,268, reflecting the amount of premium deemed to have been paid on behalf of Mr. McConnell under the split-dollar life insurance policy maintained on his behalf; (b) \$3,585, reflecting the amount of premium deemed to have been paid on behalf of Mr. McConnell under the SERP life insurance policy maintained on his behalf; (c) \$33,000, reflecting the amount he received in his capacity as a non-executive officer employee of Park National Bank during the 2006 fiscal year; and (d) \$2,063, representing the contribution to the Park KSOP on Mr. McConnell's

behalf to match his 2006 pre-tax deferred contributions.

(8) During the 2006 fiscal year, Mr. Menzer served as a director of Park from January 1, 2006 to September 14, 2006.

(9) Represents the sum of: (a) \$653, reflecting the amount of premium deemed to have been paid on behalf of Mr. Phillips under the split-dollar life insurance policy maintained on his behalf; (b) \$33,000, reflecting the amount he received in his capacity as a non-executive officer employee of Century National Bank during the 2006 fiscal year; and (c) \$2,479, representing the contribution to the Park KSOP on Mr. Phillip s behalf to match his 2006 pre-tax deferral contributions.

J. Daniel Sizemore Employment Agreement

Pursuant to the Vision Merger Agreement, Park has agreed to take all actions necessary to cause J. Daniel Sizemore to become a director of Park upon the consummation of the Vision Merger. In connection with the Vision Merger Agreement, Mr. Sizemore, Park, Vision Alabama and Vision Florida became parties to the Sizemore Employment Agreement (which will become effective at the effective time of the Vision Merger) in which Vision Alabama and Vision Florida are collectively referred to as the Employer.

Under the Sizemore Employment Agreement, Mr. Sizemore will receive an initial annual base salary of \$300,000 which may be increased, but not decreased without his written consent, by the Board of Directors of Park during the term of the Sizemore Employment Agreement. Mr. Sizemore may also earn and receive a cash bonus in an amount up to sixty-five percent (65%) of his base salary, depending upon the performance of the Employer and the satisfaction of his personal performance goals to be set from time to time by the Compensation Committee of Park. Mr. Sizemore will also receive a lump sum payment of \$900,000 upon the consummation of the Vision Merger in consideration for entering into the Sizemore Employment Agreement, terminating his employment agreement with Vision, applying his experience, skills and knowledge in continued employment with the Employer and waiving and releasing all rights, benefits and payments specified in his employment agreement with Vision. In addition, the Employer agreed to continue certain salary continuation agreements entered into between Vision Alabama and Mr. Sizemore and Vision Florida and Mr. Sizemore on July 14, 2004, as amended on June 26, 2006.

In addition to the general fringe benefits provided under all programs that the Employer may provide from time to time to actively employed senior executives of the Employer, Mr. Sizemore is also entitled to the following specific fringe benefits: Employer-provided term life insurance equal to three times his base salary plus group term life insurance policies on his dependents in commercially reasonable amounts; a monthly car allowance equal to \$750, plus mileage at the current Internal Revenue Service allowed reimbursement rate; and all fees for any country or social club which Mr. Sizemore joins (or which he is currently a member on the effective date of the Vision Merger) at the request of the Employer. In addition, Mr. Sizemore and his dependents will be covered under the Employer's group health insurance plan with the entire monthly premium for such coverage to be paid by the Employer.

If Mr. Sizemore's employment were terminated by his death or his disability (as defined in the Sizemore Employment Agreement), he is terminated for cause (as defined in the Sizemore Employment Agreement) or he voluntarily terminates his employment, Mr. Sizemore and his beneficiaries will be entitled to receive the following: any base salary that is accrued but unpaid; the value of any vacation that is accrued but unused, and any business expenses that are unreimbursed all as of the date of termination of employment; and any rights and benefits (if any) provided under plans and programs of the Employer, determined in accordance with the applicable terms and provisions of such plans and programs.

If Mr. Sizemore's employment were terminated without cause or he terminates his employment for good reason (as defined in the Sizemore Employment Agreement), in addition to receiving all the payments described in the preceding paragraph, Mr. Sizemore would also be entitled to receive the following: continuation of his base salary as in effect immediately prior to the date of his termination of employment for a period of three years (provided, that such payments will be made in separate, equal payments no less frequently than monthly over such period); and the Employer will continue to provide medical, dental, life insurance and other welfare benefits (collectively, the welfare benefits) to Mr. Sizemore, his spouse and his eligible dependents for a period of three years following the date of termination on the same basis and at the same cost as such benefits were provided to Mr. Sizemore immediately prior to his date of termination. Notwithstanding the foregoing, welfare benefits receivable by Mr. Sizemore will be reduced or eliminated to the extent that he becomes eligible to receive comparable welfare benefits at substantially similar costs from another employer.

If, upon the occurrence of a change in control (as such term is defined under Section 409A of the Internal Revenue Code) and, within 36 months following such change in control, the Sizemore Employment Agreement is terminated by the Employer for any reason other than due to death, disability or for cause, Mr. Sizemore will receive the following: any base salary that is accrued but unpaid, the value of any vacation that is accrued but unused, and any business expenses that are unreimbursed all as of the date of termination of employment; any rights and benefits (if any) provided under plans and programs of the Employer, determined in accordance with the applicable terms and provisions of such plans and programs; a single lump sum

payment, payable on the tenth business day following the date of termination, equal to three times the total base salary and cash bonus paid or payable to Mr. Sizemore with respect to the most recently completed fiscal year of the Employer; and the Employer or its successor will continue to provide welfare benefits to Mr. Sizemore, his spouse and his eligible dependents for three years following the date of termination on the same basis and at the same cost as such benefits were provided to Mr. Sizemore immediately prior to his date of termination, provided that, if the terms of the plans governing such welfare benefits do not permit such coverage, the Employer or its successor must provide such welfare benefits to Mr. Sizemore with the same after tax effect.

The Sizemore Employment Agreement contains confidentiality and non-competition provisions which prevent Mr. Sizemore from (i) disclosing confidential information about Park and the Employer and (ii) from competing with Park, soliciting or hiring any employee of Park or the Employer, soliciting any customer, supplier, contractual party of Park or the Employer or any other person with whom each of them has business relations to cease doing business with Park, or interfering in the relationship of Park or the Employer and any of their respective employees, customers, suppliers, contractual parties or any other person with whom each of them has business relations for a period of three years following the termination of his employment or one year in the event that his employment is terminated pursuant to a change in control.

AUDIT COMMITTEE MATTERS

Report of the Audit Committee for the Fiscal Year Ended December 31, 2006

Role of the Audit Committee, Independent Registered Public Accounting Firm and Management

The Audit Committee consists of four directors who qualify as independent directors under the applicable AMEX Rules and SEC Rule 10A-3. The Audit Committee operates under the Audit Committee Charter adopted by Park's Board of Directors. The Audit Committee is responsible for assisting the Board of Directors in the oversight of the accounting and financial reporting processes of Park and Park's subsidiaries. In particular, the Audit Committee assists the Board of Directors in overseeing: (i) the integrity of Park's consolidated financial statements and the effectiveness of Park's internal control over financial reporting; (ii) the legal compliance and ethics programs established by Park's management and the Board of Directors; (iii) the qualifications and independence of Park's independent registered public accounting firm; (iv) the performance of Park's internal auditors and independent registered public accounting firm; and (v) the annual independent audit of Park's consolidated financial statements. The Audit Committee is responsible for the appointment, compensation and oversight of the work of Park's independent registered public accounting firm. Crowe Chizek and Company LLC (Crowe Chizek) was appointed to serve as Park's independent registered public accounting firm for the 2006 fiscal year.

During the 2006 fiscal year, the Audit Committee met twelve times, and the Audit Committee discussed the interim financial and other information contained in each quarterly earnings announcement and periodic filings with the SEC with Park's management and Crowe Chizek prior to public release.

Park's management has the responsibility for the preparation, presentation and integrity of Park's consolidated financial statements, for the appropriateness of the accounting principles and reporting policies that are used by Park and Park's subsidiaries and for the accounting and financial reporting processes, including the establishment and maintenance of adequate systems of disclosure controls and procedures and internal control over financial reporting. Management also has the responsibility for the preparation of its report on the establishment and maintenance of, and assessment of the effectiveness of,

Park's internal control over financial reporting. Park's independent registered public accounting firm is responsible for performing an audit of Park's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and issuing its report thereon based on such audit, for issuing an attestation report on management's assessment of the effectiveness of Park's internal control over financial reporting, and for reviewing Park's unaudited interim financial statements. The Audit Committee's responsibility is to provide independent, objective oversight of these processes.

In discharging its oversight responsibilities, the Audit Committee regularly met with Park's management, Crowe Chizek and Park's internal auditors throughout the year. The Audit Committee often met with each of these groups in executive session. Throughout the year, the Audit Committee had full access to management as well as to Crowe Chizek and Park's internal auditors. To fulfill its responsibilities, the Audit Committee did, among other things, the following:

- monitored the progress and results of the testing of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, reviewed a report from management and Park's internal auditors regarding the design, operation and effectiveness of internal control over financial reporting, and reviewed an attestation report from Crowe Chizek regarding the effectiveness of internal control over financial reporting;

- reviewed the audit plan and scope of the audit with Crowe Chizek and discussed the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T;

- reviewed and discussed with management and Crowe Chizek Park's consolidated financial statements for the 2006 fiscal year;

- reviewed management's representations that those consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and fairly present the consolidated results of operations, cash flows and financial position of Park;

- received the written disclosures and the letter from Crowe Chizek required by Independence Standards Board Standard No. 1, as adopted by the Public Company Accounting Oversight Board in Rule 3600T, relating to that firm's independence and discussed with Crowe Chizek that firm's independence;

- reviewed all audit and non-audit services performed for Park and Park's subsidiaries by Crowe Chizek and considered whether the provision of non-audit services was compatible with maintaining that firm's independence from Park and Park's subsidiaries; and

- discussed with management and Park's internal auditors Park's systems to monitor and manage business risk, and Park's legal and ethical compliance programs.

Management's Representations and Audit Committee Recommendations

Park's management has represented to the Audit Committee that Park's audited consolidated financial statements as of and for the fiscal year ended December 31, 2006, were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee

has reviewed and discussed those audited consolidated financial statements with management and Crowe Chizek.

Based on the Audit Committee's discussions with Park's management and Crowe Chizek and the Audit Committee's review of the report of Crowe Chizek to the Audit Committee, the Audit Committee recommended to the Board of Directors that Park's audited consolidated financial statements be included in Park's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, for filing with the SEC.

Submitted by the members of the Audit Committee:

Maureen Buchwald (Chair)

Nicholas L. Berning

F. William Englefield IV

Leon Zazworsky

Pre-Approval of Services Performed by Independent Registered Public Accounting Firms

Under applicable SEC rules, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered public accounting firm employed by Park in order to ensure that those services do not impair that firm's independence from Park. The SEC rules specify the types of non-audit services that an independent registered public accounting firm may not provide to its client and establish the Audit Committee's responsibility for administration of the engagement of the independent registered public accounting firm.

Consistent with the SEC rules, the Audit Committee Charter requires that the Audit Committee review and pre-approve all audit services and permitted non-audit services provided by Park's independent registered public accounting firm to Park or any of Park's subsidiaries. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee and, if it does, the decisions of that member must be presented to the full Audit Committee at its next scheduled meeting.

All requests or applications for services to be provided by the independent registered public accounting firm must be submitted to the Audit Committee by both the independent registered public accounting firm and Park's Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with SEC rules governing the independence of the independent registered public accounting firm.

Fees of Independent Registered Public Accounting Firms

Audit Fees

The aggregate audit fees billed by Crowe Chizek for the 2006 fiscal year and the aggregate audit fees billed by Ernst & Young LLP (Ernst & Young) for the 2005 fiscal year were approximately \$455,000 and \$495,000, respectively. These amounts include fees for professional services rendered by Crowe Chizek and by Ernst & Young in connection with the audit of Park's consolidated financial statements and reviews of the consolidated financial statements included in Park's Quarterly Reports on Form 10-Q.

Audit-Related Fees

The aggregate fees for audit-related services rendered by Crowe Chizek for the 2006 fiscal year were \$37,100. Included in this amount were fees of \$22,500 pertaining to the audits of the Park Pension Plan and the Park KSOP for the 2006 fiscal year. The remaining fees of \$14,600 were for audits of health plans maintained by Park covering fiscal years 2002 and 2003.

The aggregate fees for audit-related services rendered by Ernst & Young for the 2005 fiscal year were \$20,000 and pertained to the audits of the Park Pension Plan and the Park KSOP for the 2005 fiscal year.

Tax Fees

The aggregate fees for tax services rendered by Crowe Chizek for the 2006 fiscal year were approximately \$127,000 and primarily pertain to the preparation of federal and state tax returns for Park and Park's bank subsidiaries. Ernst & Young did not render any tax services during the 2005 fiscal year.

All Other Fees

The fees pertaining to other services rendered by Crowe Chizek for the 2006 fiscal year totaled approximately \$37,000. These fees were for risk management software and consulting services provided by Crowe Chizek. Ernst & Young did not render any other services during the 2005 fiscal year.

All of the services rendered to Park and Park's subsidiaries by Crowe Chizek for the 2006 fiscal year and by Ernst & Young for the 2005 fiscal year had been pre-approved by the Audit Committee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Crowe Chizek as Park's independent registered public accounting firm for the fiscal year ending December 31, 2007 (the 2007 fiscal year). As explained below, Crowe Chizek has served as Park's independent registered public accounting firm since March 15, 2006. A representative of Crowe Chizek is expected to be present at the Annual Meeting to respond to appropriate questions and to make such statement as he or she may desire.

On March 15, 2006, the Audit Committee appointed Crowe Chizek to serve as Park's independent registered public accounting firm for the 2006 fiscal year. Crowe Chizek replaced Ernst & Young as Park's independent registered public accounting firm, who was dismissed by Park effective March 15, 2006. Ernst & Young had served as Park's independent auditors / independent registered public accounting firm since July 1994 and rendered a report on Park's consolidated financial statements as of and for the fiscal year ended December 31, 2005.

The Audit Committee of Park received a three-year fee proposal from Crowe Chizek, Ernst & Young and three other independent registered public accounting firms. After reviewing these fee proposals and interviewing the prospective independent registered public accounting firms, the Audit Committee unanimously decided to appoint Crowe Chizek to serve as Park's independent registered public accounting firm for the 2006 fiscal year.

The reports of Ernst & Young on the consolidated financial statements of Park for each of the fiscal years ended December 31, 2005 and 2004 did not contain an adverse opinion or disclaimer of opinion, nor were the reports qualified or modified as to uncertainty, audit scope or accounting principles.

During Park's two fiscal years ended December 31, 2005 and 2004, and the subsequent interim period from January 1, 2006 through March 15, 2006, there were no disagreements with Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Ernst & Young, would have caused Ernst & Young to make reference to the subject matter of the disagreements in connection with its reports on the financial statements for such years.

During Park's two fiscal years ended December 31, 2005 and 2004, and the subsequent interim period from January 1, 2006 through March 15, 2006, there were no reportable events as defined in Item 304(a)(1)(v) of SEC Regulation S-K.

A letter from Ernst & Young addressed to the SEC stating that Ernst & Young agreed with the statements set forth above related to Ernst & Young was filed as an exhibit to Park's Current Report on Form 8-K filed with the SEC on March 17, 2006.

During the two fiscal years ended December 31, 2005 and 2004, and the subsequent interim period from January 1, 2006 through March 15, 2006, Park did not consult with Crowe Chizek regarding any of the following items:
the application of accounting principles to any specified completed or proposed transaction;

the type of audit opinion that might be rendered on Park's consolidated financial statements; or

any of the matters or reportable events as defined or described in Item 304(a)(1)(iv) and (v) of SEC Regulation S-K.

SHAREHOLDER PROPOSALS FOR 2008 ANNUAL MEETING

Proposals by shareholders intended to be presented at the 2008 Annual Meeting of Shareholders must be received by the Secretary of Park no later than November 15, 2007, to be eligible for inclusion in Park's proxy, notice of meeting and proxy statement relating to the 2008 Annual Meeting. Park will not be required to include in its proxy, notice of meeting or proxy statement a shareholder proposal that is received after that date or that otherwise fails to meet the requirements for shareholder proposals established by applicable SEC rules.

The SEC has promulgated rules relating to the exercise of discretionary voting authority under proxies solicited by the Board of Directors. If a shareholder intends to present a proposal at the 2008 Annual Meeting of Shareholders without inclusion of that proposal in Park's proxy materials and written notice of the proposal is not received by the Secretary of Park by January 29, 2008 or if Park meets other requirements of the applicable SEC rules, the proxies solicited by the Board of Directors for use at the 2008 Annual Meeting will confer discretionary authority to vote on the proposal should it then be raised at the 2008 Annual Meeting.

In each case, written notice must be given to Park's Secretary, whose name and address are:

David L. Trautman
Secretary
Park National Corporation
50 North Third Street
Post Office Box 3500
Newark, Ohio 43058-3500

Shareholders desiring to nominate candidates for election as directors at the 2008 Annual Meeting must follow the procedures described under the heading **Nominating Procedures** beginning on page 18.

OTHER MATTERS

As of the date of this proxy statement, the Board of Directors knows of no matter that will be presented for action by the shareholders at the Annual Meeting other than those matters discussed in this proxy statement. However, if any other matter requiring a vote of the shareholders properly comes before the Annual Meeting, the individuals acting under the proxies solicited by the Board of Directors will vote and act according to their best judgments in light of the conditions then prevailing, to the extent permitted under applicable law.

It is important that your proxy card be completed and returned promptly. If you do not expect to attend the Annual Meeting in person, please fill in, sign and return the enclosed proxy card in the self-addressed envelope furnished herewith.

By Order of the Board of Directors,
DAVID L. TRAUTMAN
President and Secretary
March 7, 2007

X PLEASE MARK VOTES
AS IN THIS EXAMPLE

**REVOCABLE PROXY
PARK NATIONAL CORPORATION**

**PROXY FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 16, 2007
THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS**

The undersigned holder(s) of common shares of Park National Corporation, an Ohio corporation (the Company), hereby appoints James J. Cullers and F. William Englefield IV, and each of them, the lawful agents and proxies of the undersigned, with full power of substitution in each, to attend the Annual Meeting of Shareholders of the Company (the Annual Meeting) to be held on April 16, 2007, at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio, at 2:00 p.m., Eastern Daylight Saving Time, and any adjournment, and to vote all of the common shares of the Company which the undersigned is entitled to vote at such Annual Meeting or any adjournment, as shown to the right:

Please be sure to sign and date **DATE**
this proxy card in the boxes
below and to the right:

	WITHHOLD	FOR
	FOR	ALL
	AUTHORITY	EXCEPT
1. To elect as directors of the Company all of the nominees listed below to serve for terms of three years to expire at the 2010 Annual Meeting of Shareholders (except as marked to the contrary).*	o	o

Maureen Buchwald
J. Gilbert Reese
Rick R. Taylor

David L. Trautman
Leon Zazworsky

***INSTRUCTION: To withhold authority to vote for any individual nominee, mark **FOR ALL EXCEPT** and write that nominee's name on the line provided below.**

The undersigned shareholder(s) authorize the individuals designated to vote this proxy, to vote in their discretion, to the extent permitted by applicable law, upon such other matters (none known at the time of solicitation of this proxy) as may properly come before the Annual Meeting or any adjournment and if a nominee listed above is unable or unwilling to serve, for such substitute nominee as the directors of the Company may recommend.

Any proxy previously given to vote the common shares which the undersigned is entitled to vote at the Annual Meeting is hereby revoked. Receipt is acknowledged of the accompanying Notice of Annual Meeting of Shareholders and copy of the Proxy Statement for the April 16, 2007 Annual Meeting and the Company's 2006 Annual Report.

**Shareholder
Sign to Right**

**Co-Holder (if any)
Sign to Right**

Detach above card, sign, date and mail in postage-paid envelope provided.

PARK NATIONAL CORPORATION

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES LISTED IN ITEM NO. 1 AS DIRECTORS OF THE COMPANY. WHERE A CHOICE IS INDICATED, THE COMMON SHARES REPRESENTED BY THE ABOVE PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED OR NOT VOTED AS SPECIFIED. IF NO CHOICE IS INDICATED, THE COMMON SHARES REPRESENTED BY THE ABOVE PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED IN ITEM NO. 1 AS DIRECTORS OF THE COMPANY. IF ANY OTHER MATTERS ARE PROPERLY BROUGHT BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT OR IF A NOMINEE FOR ELECTION AS A DIRECTOR NAMED IN THE PROXY STATEMENT IS UNABLE TO SERVE OR FOR GOOD CAUSE WILL NOT SERVE, THE COMMON SHARES REPRESENTED BY THE ABOVE PROXY CARD WILL BE VOTED IN THE DISCRETION OF THE INDIVIDUALS DESIGNATED TO VOTE THIS PROXY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON SUCH MATTERS OR FOR SUCH SUBSTITUTE NOMINEE(S) AS THE DIRECTORS MAY RECOMMEND.

Please sign exactly as your name appears hereon. If common shares are registered in two names, both shareholders must sign. When signing as Executor, Administrator, Trustee, Guardian, Attorney or Agent, please give full title as such. If shareholder is a corporation, please sign in full corporate name by President or another authorized officer. If shareholder is a partnership or other entity, please sign that entity's name by an authorized person. (Please note any change of address on this proxy card).

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF PARK NATIONAL CORPORATION.

PLEASE ACT PROMPTLY SIGN, DATE AND MAIL YOUR PROXY CARD TODAY

X PLEASE MARK VOTING
INSTRUCTIONS AS IN
THIS EXAMPLE

**REVOCABLE VOTING INSTRUCTIONS
PARK NATIONAL CORPORATION
EMPLOYEES STOCK OWNERSHIP PLAN
VOTING INSTRUCTIONS FOR ANNUAL MEETING
OF SHAREHOLDERS OF
PARK NATIONAL CORPORATION
TO BE HELD ON APRIL 16, 2007**

The undersigned beneficial owner of common shares of Park National Corporation, an Ohio corporation (the Company), allocated to the account of the undersigned under the Park National Corporation Employees Stock Ownership Plan (the ESOP) hereby instructs and directs the trustee of the ESOP to vote all of the common shares of the Company allocated to the undersigned's account under the ESOP and entitled to be voted at the Annual Meeting of Shareholders of the Company (the Annual Meeting) to be held on April 16, 2007, at the offices of The Park National Bank, 50 North Third Street, Newark, Ohio, at 2:00 p.m., Eastern Daylight Saving Time, and any adjournment, as shown to the right:

Please be sure to sign and date **DATE** these voting instructions in the boxes below and to the right:

	FOR	WITHHOLD AUTHORITY	FOR ALL EXCEPT
1. To elect as directors of the Company all of the nominees listed below to serve for terms of three years to expire at the 2010 Annual Meeting of Shareholders (except as marked to the contrary).*	o	o	o

**Maureen Buchwald
J. Gilbert Reese
Rick R. Taylor**

**David L. Trautman
Leon Zazworsky**

***INSTRUCTION: To withhold authority to vote for any individual nominee, mark **FOR ALL EXCEPT** and write that nominee's name on the line provided below.**

Any voting instructions previously given to vote at the Annual Meeting the common shares allocated to the undersigned's account under the ESOP are hereby revoked. Receipt is acknowledged of the accompanying Notice of Annual Meeting of Shareholders and copy of the Proxy Statement for the April 16, 2007 Annual Meeting and the Company's 2006 Annual Report.

**ESOP Participant
Sign to the Right**

Sign, date and return via inter-office mail to First-Knox National Bank using the envelope provided.

PARK NATIONAL CORPORATION

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT BENEFICIAL OWNERS OF COMMON SHARES OF THE COMPANY ALLOCATED TO THEIR ACCOUNTS UNDER THE ESOP INSTRUCT AND DIRECT THE TRUSTEE OF THE ESOP TO VOTE ALL OF THE COMMON SHARES ALLOCATED TO THEIR RESPECTIVE ACCOUNTS UNDER THE ESOP *FOR* THE ELECTION OF THE NOMINEES LISTED IN ITEM NO. 1 AS DIRECTORS OF THE COMPANY. WHERE A CHOICE IS INDICATED, THE COMMON SHARES ALLOCATED TO THE ACCOUNT UNDER THE ESOP OF THE PARTICIPANT IDENTIFIED IN THE VOTING INSTRUCTIONS ABOVE WILL, WHEN THE VOTING INSTRUCTIONS ARE PROPERLY EXECUTED, BE VOTED OR NOT VOTED AS INSTRUCTED. IF NO CHOICE IS INDICATED, THE COMMON SHARES ALLOCATED TO THE ACCOUNT UNDER THE ESOP OF THE PARTICIPANT IDENTIFIED IN THE VOTING INSTRUCTIONS ABOVE WILL, WHEN THE VOTING INSTRUCTIONS ARE PROPERLY EXECUTED, BE VOTED PRO RATA IN ACCORDANCE WITH THE VOTING INSTRUCTIONS RECEIVED FROM OTHER PARTICIPANTS IN THE ESOP WHO HAVE GIVEN VOTING INSTRUCTIONS.