

Cayuga Lake Bank Corporation Stock Sales Process

The stock of the Cayuga Lake Bank Corporation is infrequently traded and the stock of the Company is not listed with any National Securities Exchange, nor is the Company required to file any information relative to its operations with the Securities Exchange Corporation. As such there is no established or efficient market for the trading of Cayuga Lake Bank Corporation Common Stock. Prior to January of 2019 when an existing shareholder contacted the company expressing an interest in the sale of all or a portion of their stock ownership in the company the company would place these shares with interested purchasers at the then “book value” of the company stock. Commencing January 2019 in an effort to insure all parties interested in an ownership interest in the company stock is afforded the opportunity to acquire shares, and as well to insure existing stockholders wishing to sell are afforded the opportunity to receive competitive pricing for their shares, the company will facilitate the introduction of sellers and buyers via a sealed bid process.

Each person interested in being advised of availability of Cayuga Lake Bancorp Stock will be required to complete a form and file same with the Company—a sample copy of this form is attached.

When the Company receives notification from an existing shareholder of an interest in selling shares the company will advise the shareholder that they may sell these shares to any interested investor they so desire and for any price which they and the buyer agree upon as appropriate. Should the current shareholder wish to avail themselves of the list maintained by the company of parties interested in the potential purchase of company stock the Company will notify all interested parties of the availability of XX number of Company shares and advise these individuals that they may submit sealed bids for all or a portion thereof of the shares available up to a set date and time. Selling shareholders will be allowed to set a minimum price which will be considered.

In addition to advising interested acquirors of the availability of shares for purchase the Company, it will advise these individuals of where and how to obtain current financial information on the company and its subsidiary Cayuga Lake National Bank together with any available sales data for the preceding two years. For the Company, regular financial reporting occurs with the Federal Reserve Bank and for the Bank, regular financial reporting occurs with the Office of the Comptroller of the Currency. In addition, the company issues an un-audited condensed report of condition as of June 30th each year and an Audited Report of Financial Condition Annually as of December 31st each year. All of these reports for the pre-eding two years will be available on the Company website, cayugalakenationalbank.com, listed under Financial Reports of Investor Relations.

The Company and the Bank advise all parties that as noted above the shares of the company, as with any equity security, carries with it a certain degree of risk. With regard to Cayuga Lake Bank Corporation the lack of an established and efficient market makes ownership of its stock less liquid than securities listed on national exchange and regularly traded. Further the Company

operates within a condensed market in Central New York and is therefore subject to the impacts on its operations which fluctuations in the economic health of this limited market might have.