

April 27, 2020

SENECA-CAYUGA BANCORP, INC.



Dear Shareholder:

We are holding the 2020 Annual Meeting of Shareholders of Seneca-Cayuga Bancorp, Inc. (the “Company”), the parent company of Generations Bank at our Corporate Headquarters, 20 E Bayard Street, Seneca Falls, New York 13148 at 1:00 p.m. Eastern time, on Thursday, May 21, 2020. While we have concerns relating to COVID-19 (otherwise known as the “coronavirus”) and public gatherings, we still plan to convene the Annual Meeting. We will conduct the Annual Meeting with those concerns in mind and take the necessary precautions, including sanitization and social distancing measures. Despite these precautionary measures, we are encouraging stockholders not to attend the Annual Meeting in person. However, as described below and in the accompany proxy statement, your vote is extremely important, and we are asking that stockholders vote by proxy rather than in person at the Annual Meeting. Please note that your vote by proxy will remain valid and not be impacted by any failure to attend the Annual Meeting. Additionally, if public health developments warrant, and/or there is an emergency order limiting gatherings of people and closing places of business, the Company is planning for the possibility that the Annual Meeting may be delayed, postponed or adjourned, including changing the time, location or date of the Annual Meeting. Any such change will be announced as promptly as practicable, through a press release posted to our hosted materials website as is noted in the Notice of Annual Meeting of Shareholders, as well as any other notification required by applicable law.

The enclosed Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted. During the Annual Meeting we will also report on the operations of Seneca-Cayuga Bancorp, Inc. and Generations Bank.

The business to be conducted at the Annual Meeting includes the election of two directors and the ratification of the appointment of Bonadio & Co., LLP as our independent auditor for the year ending December 31, 2020.

Our Board of Directors has determined that the matters to be considered at the Annual Meeting are in the best interests of Seneca-Cayuga Bancorp, Inc. and its Shareholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote “FOR” each matter to be considered.

Also enclosed for your review are our Annual Report and Audited Financial Statements for the year ended December 31, 2019, which contain detailed information concerning our activities and operating performance. On behalf of the Board of Directors, please take a moment now to complete, sign, date and return the proxy card in the postage-paid envelope provided. Voting in advance of the Annual Meeting will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the Annual Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. D. Case', is written over a horizontal line. The signature is fluid and cursive.

Menzo D. Case
President, Chief Executive Officer, Director

SENECA-CAYUGA BANCORP, INC.

20 E Bayard Street
Seneca Falls, New York 13148
(315) 568-5855

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held On May 21, 2020

Notice is hereby given that the Annual Meeting of Shareholders of Seneca-Cayuga Bancorp, Inc. will be held at our Corporate Headquarters, 20 E Bayard Street, Seneca Falls, New York 13148 at 1:00 p.m. Eastern time, on Thursday, May 21, 2020.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

The Meeting is for the purpose of considering and acting upon:

1. The election of two directors of Seneca-Cayuga Bancorp, Inc.; and
2. The ratification of the appointment of Bonadio & Co., LLP as the independent auditor for Seneca-Cayuga Bancorp, Inc. for the year ending December 31, 2020 and

such other matters as may properly come before the Meeting, or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Meeting.

Any action may be taken on the foregoing proposals at the Meeting on the date specified above, or on any date or dates to which the Meeting may be adjourned. Shareholders of record at the close of business on March 27, 2020 are the shareholders entitled to vote at the Meeting, and any adjournments thereof. As part of the Company's precautions regarding the coronavirus, or COVID-19, and the potential for emergency orders limiting gatherings of people and closing places of business, the Company is planning for the possibility that the Annual Meeting may be delayed, postponed or adjourned, including changing the time, location or date of the Annual Meeting. If the Company takes any of these steps, it will announce the decision to do so in advance in a press release, as well as any other notification required by applicable law.

EVEN IF YOU DO NOT PLAN TO ATTEND THE MEETING, YOU MAY CHOOSE TO VOTE YOUR SHARES BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD WITHOUT DELAY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ANY PROXY THAT YOU GIVE MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED. YOU MAY REVOKE A PROXY BY FILING A WRITTEN REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE WITH THE CORPORATE SECRETARY OF SENECA-CAYUGA BANCORP, INC. IF YOU ATTEND THE MEETING YOU MAY REVOKE YOUR PROXY AND VOTE PERSONALLY ON EACH MATTER BROUGHT BEFORE THE MEETING. HOWEVER, IF YOUR SHARES ARE NOT REGISTERED IN YOUR NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM THE RECORD HOLDER TO VOTE PERSONALLY AT THE MEETING.

Our proxy statement, 2019 Annual Report, 2019 Audited Financial Statements and proxy card are also available at <http://mygenbank.com/annual-meeting>.

By Order of the Board of Directors,



Lori M. Parish
Corporate Secretary

Seneca Falls, New York
April 27, 2020

**A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.
NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.**

Proxy Statement

SENECA-CAYUGA BANCORP, INC.

20 E Bayard Street
Seneca Falls, New York 13148
(315) 568-5855

ANNUAL MEETING OF SHAREHOLDERS

to be held on May 21, 2020

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Seneca-Cayuga Bancorp, Inc. to be used at our 2020 Annual Meeting of Shareholders which will be held at our Corporate Headquarters, 20 E Bayard Street, Seneca Falls, New York 13148 at 1:00 p.m. Eastern time on Thursday, May 21, 2020, and at all adjournments of the annual meeting. The accompanying Notice of Annual Meeting of Shareholders and this Proxy Statement are first being mailed to Shareholders on or about April 27, 2020.

REVOCACTION OF PROXIES

Shareholders who execute proxies in the form solicited hereby retain the right to revoke them in the manner described below. Unless so revoked, the shares represented by such proxies will be voted at the annual meeting and all adjournments thereof. Proxies solicited on behalf of our Board of Directors will be voted in accordance with the directions given thereon. **You may vote by signing and returning your Proxy Card to Seneca-Cayuga Bancorp, Inc. Proxies received by Seneca-Cayuga Bancorp, Inc. that are signed, but contain no instructions for voting, will be voted "FOR" the proposals set forth in this Proxy Statement for consideration at the annual meeting.**

Proxies may be revoked by sending written notice of revocation to the Corporate Secretary of Seneca-Cayuga Bancorp, Inc. at the address shown above, by returning a duly executed proxy bearing a later date by mail, as described on your Proxy Card, or by voting in person at the annual meeting. The presence at the annual meeting of any shareholder who had given a proxy shall not revoke such proxy unless the shareholder delivers his or her ballot in person at the annual meeting or delivers a written revocation to the Corporate Secretary of Seneca-Cayuga Bancorp, Inc. prior to the voting of such proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Holders of record of our shares of common stock, par value \$0.01 per share, as of the close of business on March 27, 2020 are entitled to one vote for each share then held. As of March 27, 2020, there were 2,467,507 shares of common stock outstanding. The presence in person or by proxy of a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum at the annual meeting. Abstentions and broker non-votes will be counted for purposes of determining that a quorum is present.

As to the election of directors, the Proxy Card being provided by the Board of Directors enables a shareholder to vote FOR EACH NOMINEE proposed by the Board, or to WITHHOLD A VOTE FOR ONE OR MORE NOMINEES. Directors are elected by a plurality of votes cast, without regard to either broker non-votes, or proxies as to which the authority to vote for the nominee being proposed is withheld.

As to the ratification of the appointment of Bonadio & Co., LLP as our independent auditor, by checking the appropriate box, a shareholder may: (i) vote FOR the ratification; (ii) vote AGAINST the ratification; or (iii) ABSTAIN from voting on such ratification. The affirmative vote of a majority of the shares represented at the annual meeting and entitled to vote on the matter, without regard to broker non-votes, is required for the ratification of Bonadio & Co., LLP as our independent auditor for the year ending December 31, 2020. Shares as to which the "ABSTAIN" box has been selected on the proxy card will have the same effect as votes AGAINST the ratification.

We anticipate that The Seneca Falls Savings Bank, MHC, our majority shareholder, will vote all of its shares in favor of all the matters set forth above including the Board's nominees for election of directors. If The Seneca Falls Savings Bank, MHC votes all of its shares in favor of each proposal and the election of the Board's nominees, the approval of each proposal would be assured.

The following table sets forth, as of March 27, 2020, the shares of our common stock beneficially owned by each person believed by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock.

Amount of Shares Owned and Nature Name and Address of Beneficial Owners	Percent of Shares of Beneficial Ownership ⁽¹⁾	% of Common Stock Outstanding
The Seneca Falls Savings Bank, MHC 20 E Bayard Street Seneca Falls, New York 13148	1,480,715	60.0 %
The Seneca Falls Savings Bank, MHC and all of our directors/executive officers as a group (directors and officers) ⁽²⁾	1,598,970	64.7 %
Stilwell Activist Fund, L.P. ⁽³⁾ Stilwell Activist Investments, L.P. Stilwell Partners, L.P. Stilwell Value LLC Joseph Stilwell 111 Broadway, 12th Floor New York, New York 10006	244,101	9.9 % ⁽³⁾

- (1) A person is deemed to be the beneficial owner for purposes of this table, of any shares of common stock if he has shared voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from the date as of which beneficial ownership is being determined. As used herein, “voting power” is the power to vote or direct the voting of shares and “investment power” is the power to dispose or direct the disposition of shares, and includes all shares held directly as well as by spouses and minor children, in trust and other indirect ownership, over which shares the named individuals effectively exercise sole or shared voting or investment power.
- (2) Includes shares of common stock held by The Seneca Falls Savings Bank, MHC, of which our executive officers and some of the directors are also executive officers and directors. Excluding shares of common stock held by The Seneca Falls Savings Bank, MHC, our executive officers and directors owned 115,744 shares of common stock, or 4.7% of the outstanding shares.
- (3) Based on the Company’s knowledge and belief.

PROPOSAL I — ELECTION OF DIRECTORS

Our Board of Directors consists of eight members. Our bylaws provide that approximately one-third of the directors are to be elected annually. Our directors are generally elected to serve for a three-year period, or a shorter period if the director is elected to fill a vacancy, and until their respective successors shall have been elected and shall qualify. Two directors will be elected at the annual meeting, each for a three-year term, and until their successors have been elected and qualified. The Nominating/Governance Committee has nominated Dr. August P Sinicropi and Vincent P. Sinicropi as directors.

Seven of our eight directors are also directors of The Seneca Falls Savings Bank, MHC. In such capacity, these directors consider the interests of The Seneca Falls Savings Bank, MHC and also Generations Bank. Such interests in theory may differ from your interests as a stockholder. For example, The Seneca Falls Savings Bank, MHC may exercise its voting control to defeat a stockholder nominee for election to our Board of Directors who is preferred by a majority of the public shareholders. In addition, public shareholders cannot force a merger or second step conversion transaction without the consent of The Seneca Falls Savings Bank, MHC. The Board of Directors believes that it always has, and will continue to act, in the best interests of all of our stockholders, including The Seneca Falls Savings Bank, MHC, our largest stockholder, as well as of Seneca-Cayuga Bancorp, Inc. and Generations Bank.

The following table sets forth certain information as of March 27, 2020 regarding the composition of our Board of Directors, including the terms of office of Board members. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to the nominee) will be voted at the annual meeting for the election of the nominees identified below. If the nominees are unable to serve, the shares represented by all such proxies will be voted for the election of such substitute as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why any of the nominees might be unable to serve, if elected. There are no arrangements or understandings between the nominees and any other person pursuant to which such nominees were selected. None of the shares beneficially owned by directors, executive officers or nominees to the Board of Directors have been pledged as security or collateral for any loans.

<u>Name</u> ⁽¹⁾	<u>Age</u> ⁽²⁾	<u>Position(s) Held in</u>	<u>Director Since</u> ⁽³⁾	<u>Current Term to Expire</u>	<u>Shares of Common Stock Beneficially Owned</u> ⁽⁴⁾	<u>Percent of Class</u>
<u>NOMINEES</u>						
Dr. August P. Sinicropi	72	Director	1993	2020	14,248 ⁽⁵⁾	*
Vincent P. Sinicropi	65	Director Board Vice-Chair	1999	2020	10,000 ⁽⁶⁾	*
<u>DIRECTORS CONTINUING IN OFFICE</u>						
Dr. Jose A. Acevedo	56	Director	2017	2022	-	-
Menzo D. Case	56	President and Chief Executive Officer	2008	2022	59,556 ⁽⁷⁾	2.4%
James E. Gardner	55	Director	2018	2021	1,000	*
Bradford M. Jones	69	Director Board Chair	1996	2021	7,779	*
Gerald Macaluso	68	Director	2004	2021	1,000	*
David H. Swenson	74	Director	2002	2020	13,445 ⁽⁸⁾	*
<u>EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS</u>						
Shelley J. Tafel	54	SVP/Chief Financial Officer			7,167 ⁽⁹⁾	*
Anthony G. Cutrona	58	SVP/Growth & Profitability			1,378 ⁽¹⁰⁾	*
Kenneth S. Winn	62	SVP/Director of Credit Administration			171 ⁽¹¹⁾	*

* Less than 1%

(1) The mailing address for each person listed is 20 E Bayard Street, Seneca Falls, NY 13148.

(2) Age on annual meeting date.

(3) Includes service on the Board of Generations Bank.

(4) As of December 31, 2019; see definition of “beneficial ownership” in “Voting Securities and Principal Holders Thereof.”

(5) All 14,248 shares are held in Dr. Sinicropi’s individual retirement account.

(6) All 10,000 shares are held in Mr. Sinicropi’s individual retirement account.

(7) Includes 24,096 shares held in Mr. Case’s 401(k) account; 25,837 shares held in Mr. Case’s supplemental executive retirement plan; 6,698 shares held in Mr. Case’s employee stock ownership plan account; 1,550 shares held in Mr. Case’s individual retirement account; 1,225 shares held jointly with other family members; 150 shares held by Mr. Case’s children. Excludes Mr. Case’s ESOP account allocation for 2019 as the amount of shares allocated is not yet determinable.

(8) Includes 12,220 shares held in Mr. Swenson’s individual retirement account and 1,225 held in the individual retirement account of Mr. Swenson’s spouse.

(9) Includes 3,915 shares in Ms. Tafel’s 401(k) account, 1,329 shares in Ms. Tafel’s supplemental executive retirement account and 1,923 in Ms. Tafel’s employee stock ownership plan account. Excludes Ms. Tafel’s ESOP account allocation for 2019 as the amount of shares allocated is not yet determinable.

(10) Includes 1,071 shares in Mr. Cutrona’s 401(k) account and 307 shares in Mr. Cutrona’s Employee Stock Ownership Plan account. Excludes Mr. Cutrona’s ESOP account allocation for 2019 as the amount of shares allocated is not yet determinable.

(11) Includes 171 shares in Mr. Winn’s ESOP account. Excludes Mr. Winn’s ESOP account allocation for 2019 as the amount of shares allocated is not yet determinable.

Directors and Nominees

Dr. Jose Acevedo. Dr. Acevedo is the President and Chief Executive Officer of Finger Lakes Health in Geneva and Finger Lakes Health College of Nursing & Health Sciences. Dr. Acevedo joined Finger Lakes Health in 2004 as VP of Medical Affairs and Chief Medical Officer. He is dedicated to the community and is a member of Geneva 2030 and board member for Healthcare Association of New York State. He has served on the Independent Judicial Election Qualification Commission, Keuka College Board and the Boys & Girls Club of Geneva Community Center Advisory Council.

Menzo D. Case. Mr. Case has served as Chief Executive Officer of Seneca-Cayuga Bancorp, Inc. and Generations Bank since July 1, 2008. Mr. Case was named President of Seneca-Cayuga Bancorp, Inc. and the Bank effective January 1, 2008, after having served as Executive Vice President and Chief Financial Officer since 2002. Mr. Case was originally hired as the Bank's Treasurer and Chief Financial Officer in 1999.

James E. Gardner. Mr. Gardner was added to the Board as a result of the merger with Medina Savings & Loan Association in October 2018. He has worked at The Barden & Robeson Corporation in Middleport, NY since 1992 and was appointed to the role of VP/Commercial Operations in 2009. He has a long association with the Orleans County Habitat for Humanity and the Home Builders Association.

Bradford M. Jones. Mr. Jones retired as Plant Manager for ITT - Goulds Pumps, Auburn Operations (New York) in 2007, where he was employed since 1975. He retired from the position of General Manager of Thruway Fasteners, Liverpool, New York in 2012. Mr. Jones also served as Mayor for the Village of Seneca Falls, New York from 1996 to 2000.

Gerald Macaluso. Mr. Macaluso retired in 2012 from the position of Principal at DeSales High School in Geneva, New York and was Superintendent for Seneca Falls Central School District, New York from 1998 through 2008. Mr. Macaluso serves on the board of Literacy Volunteers of Seneca County, is a member of the Seneca Falls Rotary Club, serves as an Ombudsman for LifeSpan/Rochester and is a driver for Meals on Wheels/Seneca County. He volunteers on the Finance Committee for St. Francis/St. Claire Catholic Parish and is Vice President and serves on the Board of Directors for Catholic Charities of the Finger Lakes. His past service includes a term as the former Assistant Governor for Rotary District 7120 and he recently completed 20 years of service as a board member for United Way of Seneca County.

Dr. August P. Sinicropi. Dr. Sinicropi is a retired optometrist. He established a private practice in Seneca Falls, New York in 1971. He has served as a member of the New York State Optometric Association Board of Directors, the Women's Rights National Historical Park Public Advisory Commission and the Seneca Falls Historical Society Board of Directors. He is the founding Chair of the New York State Heritage Area Park in Seneca Falls and former Chair of Finger Lakes Optometric Association, the Seneca County Chamber of Commerce and the Seneca Falls Local Development Corporation. Dr. Sinicropi is the brother of Director Vincent P. Sinicropi.

Vincent P. Sinicropi. Mr. Sinicropi is a certified public accountant currently operating his own CPA practice in Seneca Falls, New York. He is a former partner in the CPA firm of EFP Rotenberg LLP, based out of Rochester, New York. Prior to that he was a partner in the CPA firm of Sinicropi & Healy, LLP and its predecessors for over 20 years before the merger of the firm with EFP Rotenberg LLP in 2011. Mr. Sinicropi is the brother of Director Dr. August P. Sinicropi.

David H. Swenson. Mr. Swenson is a retired contractor, having founded Swenson Sales in 1999. He is a past President and Chair of the Board of Directors of the United Way of Seneca County, New York as well as current member and past President of the Seneca Falls Rotary Club. He served as past President and board member for the Seneca Falls Central School District. He is a past member of the Town Board of Seneca Falls. Mr. Swenson has also served on the Board of Directors for the Seneca Falls Historical Society and currently serves on the facility committee for the National Women's Hall of Fame.

Executive Officers Who Are Not Directors

Shelley J. Tafel. Ms. Tafel is Senior Vice President/Chief Financial Officer. She has been with the Bank since 2011.

Anthony G. Cutrona. Mr. Cutrona is Senior Vice President/Growth & Profitability. He joined the Bank in 2016.

Kenneth S. Winn. Mr. Winn is Senior Vice President/Director of Credit Administration. He joined the Bank in 2017.

Meetings and Committees of the Board of Directors

The business of Seneca-Cayuga Bancorp, Inc. is conducted at regular and special meetings of the full Board and its standing committees. In addition, our independent directors meet from time to time in executive sessions without management present. The standing committees consist of the Audit, Nominating/Governance and Compensation Committees. During the year ended December 31, 2019, the full Board of Directors met at 12 regular meetings and three special meetings. No member of the Board, or any committee thereof, attended fewer than 75% of the aggregate of: (i) the total number of meetings of the board of directors (held during the period for which he or she has been a director); and (ii) the total number of meetings held by all committees of the board on which he or she served (during the periods that he or she served).

Procedures for the Recommendation of Director Nominees by Shareholders

The Nominating/Governance Committee has adopted procedures for the submission of recommendations for director nominees by Shareholders. Shareholders may submit the names of qualified candidates for Director by writing to us at 20 E Bayard Street, PO Box 111, Seneca Falls, New York 13148, Attention: Chairman, Nominating/Governance Committee. The deadline for submissions is 120 days prior to the anniversary of the date of our proxy materials for the preceding year's annual meeting. However, if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, to be timely the recommendation for Director must be so delivered not later than the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made. The submission must include the following information:

- a statement that the writer is a shareholder and is proposing a candidate for consideration by the Committee;
- the name and address of the shareholder as they appear on our books, and number of shares of our common stock that are owned beneficially by such shareholder (if the shareholder is not a holder of record, appropriate evidence of the shareholder's ownership will be required);
- the name, address and contact information for the candidate, and the number of shares of our common stock that are owned by the candidate (if the candidate is not a holder of record, appropriate evidence of the shareholder's ownership should be provided);
- a statement of the candidate's business and educational experience;
- such other information regarding the candidate as would be required to be included in the proxy statement pursuant to Securities and Exchange Commission Regulation 14A;
- a statement detailing any relationship between the candidate and any customer, supplier or competitor of Seneca-Cayuga Bancorp, Inc. or its affiliates;
- detailed information about any relationship or understanding between the proposing shareholder and the candidate; and
- a statement of the candidate that the candidate is willing to be considered and willing to serve as a Director if nominated and elected.

Shareholder Communications with the Board

A shareholder of Seneca-Cayuga Bancorp, Inc. who wants to communicate with the Board of Directors or with any individual director can write to us at 20 E Bayard Street, PO Box 111, Seneca Falls, New York 13148, Attention: Chairman, Nominating/Governance Committee. The letter should indicate that the author is a shareholder and, if shares are not held of record, should include appropriate evidence of stock ownership. Depending on the subject matter, the Chairman of the Nominating/Governance Committee will:

- forward the communication to the director or directors to whom it is addressed;
- attempt to handle the inquiry directly or forward the communication for response by an employee of Seneca-Cayuga Bancorp, Inc. For example, a request for information about us on a stock-related matter may be forwarded to our shareholder relations officer; or
- not forward the communication if it is primarily commercial in nature, relates to an improper or irrelevant topic, or is unduly hostile, threatening, illegal or otherwise inappropriate.

At each Board meeting, the Chairman of the Nominating/Governance Committee shall present a summary of all communications received since the last meeting that were not forwarded and make those communications available to the directors.

Direct Shareholders' Nominations. Under Article II, Section 13 of Seneca-Cayuga Bancorp, Inc.'s bylaws, shareholders may make director nominations. Nominations by shareholders must be made in writing and delivered to the Secretary of Seneca-Cayuga Bancorp, Inc. at least five days prior to the date of the annual meeting. Upon delivery, such nominations will be posted in each office.

The Compensation Committee

The Compensation Committee consists of Directors Jones, Macaluso, A. Sinicropi and Swenson. None of these individuals was an officer or employee of Seneca-Cayuga Bancorp, Inc. during the year ended December 31, 2019. The Compensation Committee of Seneca-Cayuga Bancorp met four times in the year ending December 31, 2019.

The role of the Compensation Committee is to annually review the performance and compensation levels of our executive officers and directors and recommend compensation, including salary, bonus, incentive and equity compensation of our executive officers and directors to the Board of Directors. Menzo D. Case, President and Chief Executive Officer, does not participate in Compensation Committee discussions or recommendations relating to the determination of his compensation. The Compensation Committee also reviews and makes recommendations in regard to certain other compensation policies, plans and programs. The Compensation Committee may retain, at its discretion, compensation consultants to assist it in making compensation related decisions.

Certain Officer Benefits

Employment Agreements. Generations Bank has entered into an employment agreement with Mr. Case. The agreement has a term of three years. On each anniversary of the effective date of the agreement, the agreement can be renewed for an additional year so that the remaining term will be three years, subject to termination on notice as provided in the agreement. Under the agreement, Mr. Case's employment may be terminated for cause at any time, in which event he would have no right to receive compensation or other benefits for any period after termination.

Employee Stock Ownership Plan. The Bank has an employee stock ownership plan ("ESOP"). Employees who are at least 21 years old with at least one year of service during which the employee has completed at least 1000 hours of service with Generations Bank are eligible to participate in the ESOP.

Shares in the ESOP are allocated to employees' accounts as the related loan is repaid. Allocated shares are voted by the employees, while unallocated shares are voted by the ESOP trustee in the same proportion as the allocated shares.

As of December 31, 2019, there were 93,315 shares held originally in the ESOP: 77,762 of which have been allocated and 15,553 of which were unallocated. At December 31, 2019, the balance of our ESOP loan was \$119,610. During 2019, 6,221 shares were allocated to employees' accounts in proportion to the principal paid on the ESOP loan.

**PROPOSAL II —
RATIFICATION OF APPOINTMENT OF
INDEPENDENT AUDITOR**

Our independent auditor for the year ended December 31, 2019 was Bonadio & Co., LLP. Our Audit Committee has approved the engagement of Bonadio & Co., LLP to be our independent auditor for the year ending December 31, 2020, subject to the ratification of the engagement by our Shareholders as required by our bylaws. At the annual meeting, the shareholders will consider and vote on the ratification of the engagement of Bonadio & Co., LLP for the year ending December 31, 2020.

Although shareholder ratification of the independent auditor is required by our bylaws, even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditor at any time during the year if it determines that such change is in the best interests of Seneca-Cayuga Bancorp, Inc. and its shareholders.

Set forth below is certain information concerning aggregate fees billed for professional services rendered by Bonadio & Co., LLP during the years ended December 31, 2019 and 2018.

Audit Fees. The aggregate fees billed to the Company by Bonadio & Co., LLP for professional services rendered for the audit of the Company's annual financial statements, were \$71,475 for the year ended December 31, 2019 compared to \$48,240 for the year ended December 31, 2018.

Audit-Related Fees. There were no audit-related fees incurred for the year ended December 31, 2019 or for the year ended December 31, 2018.

Tax Fees. Tax fees paid were \$29,500 for the year ended December 31, 2019 for services related to tax compliance and tax planning. Tax fees paid for the year ended December 31, 2018 were \$19,000.

All Other Fees. Other fees incurred for the year ended December 31, 2019 were \$6,600 and there were \$15,500 (related to the merger) in other fees incurred for the year ended December 31, 2018.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent auditor, either by approving an engagement prior to the engagement or pursuant to a pre-approval policy with respect to particular services. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee when expedition of services is necessary. The independent auditor and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval, and the fees for the services performed to date.

In order to ratify the selection of Bonadio & Co., LLP as the independent auditor for the year ending December 31, 2020, the proposal must receive the affirmative vote of a majority of the shares represented at the annual meeting and entitled to vote on the matter, without regard to broker non-votes. The Audit Committee of the Board of Directors recommends a vote "FOR" the ratification of Bonadio & Co., LLP as the independent auditor for the year ending December 31, 2020.

**ADVANCE NOTICE OF BUSINESS
TO BE CONDUCTED
AT AN ANNUAL MEETING**

Our bylaws provide an advance notice procedure for certain business to be brought to the Board of Directors before an annual meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to our Secretary. To be timely a shareholder's notice must be delivered to or mailed and received at our principal executive offices no later than five days before the date of the meeting. The chairman of an annual meeting may, if the facts warrant, determine and declare to the meeting that certain business was not properly brought before the meeting in accordance with the provisions of our bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. This provision is not a limitation on any other applicable laws and regulations. Accordingly, advance written notice of business or nominations to the Board of Directors to be brought before the Annual Meeting of Shareholders must be given to us no later than five days prior to the date of the meeting, as indicated above.

OTHER MATTERS

The Board of Directors is not aware of any business to come before the annual meeting other than the matters described above in the Proxy Statement. However, if any matters should properly come before the annual meeting, it is intended that the holders of the proxies will act in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS,

A handwritten signature in cursive script that reads "Lori M. Parish".

Lori M. Parish
Corporate Secretary

Seneca Falls, New York
April 27, 2020

