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NewsRelease

For Immediate Release:

Cadwalader Represents Community Bank System, Inc. in its Definitive Agreement to Acquire Northeast Retirement Services, Inc.

New York, NY December 6, 2016 - Cadwalader is representing Community Bank System, Inc. (NYSE: CBU) in its definitive agreement to acquire Northeast Retirement Services, Inc. ("NRS"), a leading provider of plan accounting, transfer agency, fund administration, trust and retirement plan services, in a cash and stock transaction valued at approximately \$140 million.

Community Bank System operates more than 200 customer facilities across Upstate New York and Northeastern Pennsylvania through its banking subsidiary, Community Bank, N.A. With assets of approximately \$8.7 billion, the DeWitt, N.Y. headquartered company is among the country's 150 largest financial institutions.

Upon the closing of the transaction, NRS will become a subsidiary of Benefit Plans Administrative Services, Inc. ("BPAS"), a wholly-owned subsidiary of Community Bank System. BPAS is a national provider of employee benefit related services, including defined contribution, VEBA/HRA, actuarial and pension services, and collective investment fund and institutional trust services. The combination of NRS and BPAS will create an organization with over \$80 million in annual revenue, over \$50 billion in trust assets and 3,800 retirement and other employee benefit plan administration clients throughout the United States and Puerto Rico.

Cadwalader is also representing Community Bank System in its pending \$304 million acquisition of Merchants Bancshares, Inc.

The Cadwalader team is led by Corporate partner Andy Alin and Bank Regulatory partner Scott Cammarn, and includes associates Tyler Carson, Saadia Ghazi and Rory Moore (Corporate); special counsel Gillian Moldowan (Executive Compensation and Employee Benefits); partner Linda Swartz and special counsel Ed Wei (Tax); partner James Frazier (ERISA); associate Marty Horowitz (Bank Regulatory); partner Dorothy Auth and special counsel Howard Wizenfeld (Intellectual Property); and associate Ngoc Hulbig (Antitrust).

About Cadwalader, Wickersham & Taft LLP

Cadwalader, Wickersham & Taft LLP, established in 1792, serves a diverse client base, including many of the world's leading financial institutions and corporations in more than 50 countries. With offices in the US and Europe, Cadwalader offers legal expertise in antitrust, banking, corporate finance, corporate governance, energy, environmental, executive compensation, financial restructuring, health care, intellectual property, litigation, mergers and acquisitions, private equity, private wealth, real estate, regulation, securitization, structured finance, tax and white collar defense. For more information, visit www.cadwalader.com.