

COMMUNITY BANK SYSTEM, INC.  
Form 8-K  
March 16, 2016

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

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 11, 2016

(Exact name of registrant as specified in its charter)

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| Delaware<br>(State or other<br>jurisdiction of<br>incorporation)                               | 001-13695<br>(Commission File<br>Number) | 16-1213679<br>(I.R.S. Employer<br>Identification No.) |
| 5790 Widewaters<br>Parkway, DeWitt, New<br>York<br>(Address of principal<br>executive offices) |  | 13214<br>(Zip Code)                                   |

Registrant's telephone number, including area code: (315) 445-2282

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On March 11, 2016, Community Bank System, Inc. (the “Company”) and Community Bank, N.A. (the “Bank”) entered into renewal employment agreements with Brian D. Donahue, the Bank’s Executive Vice President and Chief Banking Officer, and Joseph F. Serbun, the Bank’s Senior Vice President and Chief Credit Officer.

Mr. Donahue’s Employment Agreement continues the format and substantially similar terms of his prior employment agreement which expired on December 31, 2015. The Employment Agreement provides that Mr. Donahue shall serve as the Executive Vice President and Chief Banking Officer of the Bank during the period from January 1, 2016 to December 31, 2018. During the term of the Agreement, the Company shall pay a base salary at an annual rate of \$359,625, which will be reviewed and may be adjusted in future years in accordance with the Company’s regular payroll practices for executive employees. Mr. Donahue will be eligible to receive annual incentive compensation under the terms of the Company’s Management Incentive Plan (“MIP”) as determined by the Compensation Committee of the Board. The Employment Agreement may be terminated by the Company for cause at any time, and shall terminate upon Mr. Donahue’s death or disability. In the event Mr. Donahue is terminated without cause, he will be entitled to the greater of (i) 175 percent of the sum of his annual base salary at the time of termination and the most recent payment to him under the Company’s MIP, or (ii) the amount of base salary and expected MIP payments that otherwise would have been payable to Mr. Donahue through the unexpired term of the agreement. If Mr. Donahue’s employment is terminated for reasons other than cause, death, or disability within two years following a change in control of the Company, or if Mr. Donahue voluntarily resigns during this period based upon an involuntary and material adverse change in his authority, duties, responsibilities, base salary, or the geographic location of his assignment, he shall be entitled to three times his base salary and his incentive compensation award for the year immediately preceding the change in control and continuation of certain benefits for a 36 month period. Mr. Donahue is subject to non-compete provisions which restrict his ability to engage in competing business activities for one year following termination of employment or to solicit customers of the Company or Bank for two years following termination of employment.

Mr. Serbun’s Employment Agreement continues the format and substantially similar terms of his prior employment agreement which expired on December 31, 2015. The Employment Agreement provides that Mr. Serbun shall serve as the Senior Vice President and Chief Credit Officer of the Bank during the period from January 1, 2016 to December 31, 2018. During the term of the Agreement, the Company shall pay a base salary at an annual rate of \$260,000, which will be reviewed and may be adjusted in future years in accordance with the Company’s regular payroll practices for executive employees. Mr. Serbun will be eligible to receive annual incentive compensation under the terms of the Company’s MIP as determined by the Compensation Committee of the Board. The Employment Agreement may be terminated by the Company for cause at any time, and shall terminate upon Mr. Serbun’s death or disability. In the event Mr. Serbun is terminated without cause, he will be entitled to the greater of (i) the sum of his annual base salary at the time of termination and the most recent payment to him under the Company’s MIP, or (ii) the amount of base salary and expected MIP payments that otherwise would have been payable to Mr. Serbun through the unexpired term of the agreement. If Mr. Serbun’s employment is terminated for reasons other than cause, death, or disability within two years following a change in control of the Company, or if Mr. Serbun voluntarily resigns during this period based upon an involuntary and material adverse change in his authority, duties, responsibilities, base salary, or the geographic location of his assignment, he shall be entitled to 2.5 times his base salary and his incentive compensation award for the year immediately preceding the change in control and continuation of certain benefits for a 36 month period. Mr. Serbun is subject to non-compete provisions which restrict his ability to engage in competing business activities for one year following termination of employment or to solicit customers of the Company or Bank for two years following termination of employment.



The foregoing descriptions of Messrs. Donahue's and Serbun's Employment Agreements do not purport to be complete and are qualified in their entirety by reference to the copies of the Employment Agreements attached hereto as Exhibits 10.1 and 10.2, respectively, and incorporated by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Employment Agreement, signed on March 11, 2016, by and among Community Bank System, Inc., Community Bank, N.A. and Brian D. Donahue.

10.2 Employment Agreement, signed on March 11, 2016, by and among Community Bank System, Inc., Community Bank, N.A. and Joseph F. Serbun.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Community Bank System, Inc.

By: /s/ George J. Getman  
Name: George J. Getman  
Title: EVP and General Counsel

Dated: March 16, 2016

