

**ESPEY MFG. & ELECTRONICS CORP.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO  
BE HELD DECEMBER 10, 2021**

October 28, 2021

*To the Shareholders of*  
ESPEY MFG. & ELECTRONICS CORP.:

You are cordially invited to attend the Annual Meeting of Shareholders of Espey Mfg. & Electronics Corp., which will be held at The Courtyard by Marriott, 11 Excelsior Ave., Saratoga Springs, New York, on December 10, 2021, at 9:00 a.m., Eastern Standard Time, for the following purposes:

1. To elect as Class A Directors to serve for a three year term expiring at the 2024 Annual Meeting or until their respective successors are duly elected and qualify, the two nominees named in the attached proxy statement; and
2. To ratify the appointment of Freed Maxick CPAs, P.C. as the Company's independent public accountants for the fiscal year ending June 30, 2022.

No other business may be transacted at the meeting.

The Board of Directors has fixed the close of business on October 15, 2021, as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, said meeting or any adjournment thereof. The books for transfer of the Company's capital stock will not be closed.

Even if you expect to attend the meeting in person, it is urged by the Company that you mark, sign, date, and return the enclosed proxy. The proxy may be revoked at any time before it is voted and shareholders who execute proxies may nevertheless attend the meeting and vote their shares in person. Every properly signed proxy will be voted as specified unless previously revoked.

Voting will be permitted only by proxy or by attending the meeting and providing the Corporate Secretary in advance with a legal proxy from an intermediary, if your shares are not owned by you directly.

By Order of the Board of Directors,

*Peggy A. Murphy*  
*Corporate Secretary*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR  
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD DECEMBER 10, 2021:**

This notice of Annual Meeting, Proxy Statement and accompanying Annual Report to the Shareholders are available at our website at <http://www.espey.com>.

Please make your selection and sign and date the enclosed proxy and mail it promptly in the accompanying pre-addressed, postage-free envelope.

**ESPEY MFG. & ELECTRONICS CORP.**  
**233 Ballston Avenue**  
**Saratoga Springs, New York 12866**

**PROXY STATEMENT**

The enclosed proxy is solicited by the Board of Directors of Espey Mfg. & Electronics Corp. (the “Company”) for use in voting at the Annual Meeting of the Shareholders of the Company to be held at The Courtyard by Marriott, 11 Excelsior Ave., Saratoga Springs, New York, on December 10, 2021, at 9:00 a.m., Eastern Standard Time, and at any postponement or adjournment thereof, for the purposes set forth in the attached Notice of Meeting. It is anticipated that the Notice of Annual Meeting of Shareholders, this Proxy Statement and the form of proxy will be mailed on or about October 28, 2021.

**VOTING AND REVOCABILITY OF PROXIES**

Every properly dated, executed and returned proxy will be voted at the Annual Meeting in accordance with the instructions of the shareholder. If no specific instructions are given, the shares represented by such proxy will be voted (i) FOR the election of the Class A Directors nominated by the Board of Directors, for a three year term, and (ii) FOR ratification of the appointment of Freed Maxick CPAs, P.C. as the Company’s independent public accountants for the fiscal year ending June 30, 2022. Any shareholder giving a proxy has the power to revoke it at any time prior to the voting thereof by voting in person at the Annual Meeting, by giving written notice to the Secretary prior to the Annual Meeting, or by signing and delivering a new proxy card bearing a later date. The Company’s only class of voting securities is its Common Stock, par value \$.33-1/3 per share (the “Common Stock”). Each share of Common Stock outstanding on the record date will be entitled to one vote on all matters. In accordance with the Company’s By-Laws and applicable state law, the election of directors will be determined by a plurality of the votes cast by the holders of shares of Common Stock present and entitled to vote thereon, in person or by proxy, at the Annual Meeting. Shares present which are properly withheld as to voting with respect to any one or more nominees, and shares present with respect to which a broker indicates that it does not have authority to vote (“broker non-votes”) will not be counted. Cumulative voting in connection with the election of directors is not permitted.

**Please note that in accordance with rules of the New York State Stock Exchange governing brokers, the election of directors (Proposal No. 1), is a “non-discretionary” item. Shares which are held in a brokerage account as to which the broker does not receive instructions on how to vote with respect to these items may not be voted with respect to this proposal and those votes will be counted as “broker non-votes.”**

**What are Broker Non-Votes?** Broker non-votes are shares held in the street name by a broker that the broker has no discretionary authority to vote. Brokers do not have authority to vote on matters considered to be non-routine unless they have received instructions from the beneficial owners of the shares.

The affirmative vote of shares representing a majority of the votes cast by the holders of shares present and entitled to vote is required to approve the ratification of the appointment of the independent accountants.

Shares which are voted to abstain and broker non-votes are not counted as votes cast on any matter to which they relate.

The By-Laws of the Company provide that the majority of the shares of the Common Stock of the Company issued and outstanding and entitled to vote, present in person or by proxy, shall constitute a quorum at the Annual Meeting. Shares which are voted to abstain are considered as present at the Annual Meeting for the purposes of determining a quorum. Broker non-votes are considered as present at the Annual Meeting for the purposes of determining a quorum.

## **RECORD DATE AND SHARE OWNERSHIP**

Only holders of Common Stock of record on the books of the Company at the close of business on October 15, 2021, will be entitled to vote at the meeting. There were 2,702,633 shares of Common Stock outstanding and entitled to vote on October 15, 2021.

### **PROPOSAL NO. 1 ELECTION OF DIRECTORS**

The Company's Certificate of Incorporation, as amended, provides that the Board of Directors shall consist of not less than three nor more than nine persons with the actual number determined in accordance with the Company's By-Laws. The Certificate of Incorporation further provides that there shall be three classes of directors (Class A, Class B and Class C) with overlapping three-year terms and that all classes shall be as nearly equal in number as possible.

The terms of three Class A Directors expire at the Annual Meeting. Two of such directors are retiring. There are also presently two Class B Directors, whose terms expire at the 2022 Annual Meeting, and three Class C Directors, whose terms expire at the 2023 Annual Meeting.

The Nominating Committee recommended that in accordance with the By-Laws of the Company, the number of Directors be fixed at six effective with the Annual Meeting, a reduction of two individuals; that David O'Neil be re-assigned from Class C to Class A in order to equalize the number of Directors in each Class; and that Mr. O'Neil and Carl Helmetag be nominated to stand for election as Class A Directors.

The Board of Directors approved the recommendation of the Nominating Committee and has nominated Messrs. O'Neil and Helmetag to stand for election as Class A Directors.

The votes will be cast pursuant to the enclosed proxy for the election of the Class A nominees named unless specification is made withholding such authority. Each of the nominees is presently a director of the Company. Should either of said nominees become unavailable, which is not anticipated, the proxies named in the enclosed proxy will vote for the election of such other persons as the Board of Directors may recommend. Proxies may not be voted for a greater number of persons than the nominees named.

The names and business experience for the past five years of the two persons who have been nominated by the Board of Directors to stand for election as directors at the Annual Meeting and the remaining directors whose terms are continuing until the 2022 or 2023 Annual Meeting appear below.

The Board has determined that all of the Board members with the exception of Patrick T. Enright, Jr., and David A. O'Neil, and Howard Pinsley, whose service on the Board is concluding at the Annual Meeting, are independent in accordance with the listing standards of the NYSE American and the By-Laws of the Company.

The independent members of the Board met five times during the fiscal year ended June 30, 2021, including incidental to each regularly scheduled Board of Directors, with no members of management present.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE FOLLOWING  
NOMINEES FOR CLASS A DIRECTORS.**

<u>Name</u>	<u>Age</u>	<u>Offices and Positions Held With Company</u>	<u>Principal Occupation or Employment</u>	<u>Period to Date Served as Director</u>
Carl Helmetag	73		An independent business consultant working for profit and non-profit entities. Mr. Helmetag was Vice President Sales of AlphaMicron Inc., Kent, Ohio from 2009 - 2011; President and CEO of UVEX Sports Inc. in Cranston, R.I. from 1999 - 2009; President and CEO of HEAD USA Inc. 1996 - 1999; Vice President and then President at Dynastar Inc. from 1978 - 1996. He has a MBA from The Wharton School of Business, University of Pennsylvania and a BA in Economics from the University of Wisconsin. He is on the Board of Managers and Treasurer of the Providence Art Club.	1999
David A. O'Neil	56	Executive Vice President, Treasurer and Chief Financial Officer	Certified Public Accountant who has been Treasurer and Chief Financial Officer of the Company since January 4, 2000, and Executive Vice President since December 2, 2016. Mr. O'Neil served as Interim President and CEO from June 2, 2014 until January 31, 2015. Prior to joining the Company, he was a Senior Manager at the accounting firm KPMG LLP.	2018

**CONTINUING CLASS B DIRECTORS – SERVING FOR A THREE YEAR TERM  
EXPIRING AT THE 2022 ANNUAL MEETING.**

<u>Name</u>	<u>Age</u>	<u>Offices and Positions Held With Company</u>	<u>Principal Occupation or Employment</u>	<u>Period to Date Served as Director</u>
Patrick T. Enright, Jr.	60	President and CEO	Prior to his employment with the Company Mr. Enright was employed by DRS Technologies from May, 2010 until January, 2015 and last held the position of Vice President of Strategic Planning. He previously held other senior positions in the power electronics and ship building industry for over 25 years at Northrup Grumman, Newport News Shipbuilding, Henschel Corporation and Vessel Management Group. Mr. Enright served in the United States Merchant Marines from June, 1983 to June, 1990.	2015

Roger N. Sexauer II 63

An independent consultant primarily working with companies in the defense industry, specializing in strategic planning and business development. From 2004-2018, Mr. Sexauer served in various senior positions with Leonardo DRS, Inc., holding the titles Executive Vice President, Business Development, 2016-2018; President DRS Maritime and Combat Support Systems, 2014-2016; President DRS Power and Environmental Systems, 2008-2014; President, DRS Power Systems, 2005-2008; DRS C41 Group Vice President Business Development, 2004-2008. Prior thereto, he was employed by General Dynamics Electric Boat. Mr. Sexauer is a graduate of the United States Naval Academy. He serves on the Board of Directors of the Naval Submarine League.

2018

**CONTINUING CLASS C DIRECTORS – SERVING FOR A THREE YEAR TERM  
EXPIRING AT THE 2023 ANNUAL MEETING.**

<b><u>Name</u></b>	<b><u>Age</u></b>	<b><u>Offices and Positions Held With Company</u></b>	<b><u>Principal Occupation or Employment</u></b>	<b><u>Period to Date Served as Director</u></b>
Paul J. Corr	77		Certified Public Accountant who has been a Principal at Capital Financial Advisors of New York, LLC, Clifton Park, NY since 2003. Mr. Corr is currently Visiting Associate Professor of Management and Business at Skidmore College where he teaches financial accounting theory and financial analysis. In May 2007, he had retired from Skidmore College where he had taught since 1981. Mr. Corr was also a shareholder in the Clifton Park, NY accounting firm of Rutnik & Corr, P.C. from July 1999 through August 2011, and he had practiced as a certified public accountant for many years prior to 1999.	1992
Michael Wool	75		Attorney engaged in private practice of law and senior partner since 1982 in the law firm of Langrock, Sperry & Wool, with offices in Burlington, VT and Middlebury, VT. Mr. Wool also serves on the board of the New England Board of Higher Education as former Chair and as a Director Emeritus of the Boys and Girls Club of Burlington, VT.	1990

None of the directors holds a directorship in any other company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of the Securities Act of 1933 or any company registered as an Investment Company under the Investment Company Act of 1940.

## BOARD OF DIRECTORS QUALIFICATIONS

The Board of Directors believes that with respect to current Board members, a demonstration of dedicated commitment to the responsibilities of a director is a leading criteria for assessing such person's qualifications for continued service on the Board. The Board will also consider a nominee's relationship to the Company and the following skill sets and experience in evaluating Board candidates: industry experience, corporate management experience, financial acumen, experience in international sales, mergers and acquisition experience and corporate governance experience.

The specific experiences, qualifications, attributes and skills of each of the nominees for director and the individuals continuing as directors are as follows:

### *Director Nominees*

Mr. Helmetag has a very strong business leadership, financial management and strategic planning background through his long career as a senior executive in several corporations. His personal experience in business development, economic conditions and financial issues is an invaluable resource for the Board on a myriad of matters it must consider from time to time.

Mr. O'Neil is the Company's Executive Vice President, Treasurer and Chief Financial Officer, and has served as a Company Officer since 2000. Mr. O'Neil is integrally involved with the Company's strategic business development plans, bids for new business, and the administration of the Company's relationships with long-term customers.

### *Continuing Directors*

Mr. Corr's experience as a certified public accountant, investment advisor and professor of management and business at Skidmore College teaching accounting theory, financial analysis, and finance, brings strong financial skills to the Board and qualifies him as the Audit Committee financial expert and the person on the Board responsible for risk assessment oversight.

Mr. Enright is the Company's President and Chief Executive Officer and through his day-to-day involvement in all aspects of the Company's operations provides a vital link between junior and senior management personnel and the general oversight and policy setting responsibilities of the Board. Among the reasons Mr. Enright was hired in 2015 was his extensive experience in various executive capacities in the defense and shipbuilding industries, with responsibilities in strategic planning, business unit leadership, program management, and systems and solutions implementation. This provides a major asset to the Board in its oversight of customer retention, new business development and expansion of the Company's core business in defense and industrial power electronics.

Mr. Sexauer has long-term and strong leadership, financial acumen, strategic planning and business development skills in the defense industry. His long-term employment with Leonardo DRS, and before that General Dynamics, as well as his historic relationships with the United States Navy, are assets to the Board in its oversight of the development of the Company's business with defense industry contractors.

Mr. Wool is a business and tax lawyer with over forty years of experience advising a broad range of clients in a broad spectrum of business, tax, governmental, commercial, employment and transactional matters. He provides valuable insight and advice to the Espey Board in its deliberations and consideration of strategic initiatives including potential business combinations and acquisitions, employee and executive compensation matters, advice and analysis concerning contractual matters, corporate governance matters and other legal issues. Mr. Wool played a key role in the design and adoption, amendments, administration, ongoing compliance and new transactions of the Espey Employee Stock Ownership Plan ("ESOP") and consults with management concerning the plan's ongoing operation.

## **OTHER EXECUTIVE OFFICERS**

The only individuals currently considered executive officers of the Company not previously identified are:

Katrina L. Sparano, 51, Assistant Treasurer and Principal Accounting Officer of the Company since November 12, 2004. Ms. Sparano is a Certified Public Accountant. Prior to joining the Company on July 29, 2004, she was the Assistant Controller for Cambridge Heart, Inc. Ms. Sparano served as Interim Principal Financial Officer from June 2, 2014 until January 31, 2015.

Peggy A. Murphy, 63, Secretary of the Company since December 11, 1998. She has been employed by the Company as Director of Human Resources and Facility Security Officer since October 1998.

The terms of office of all executive officers are until the next Annual Meeting of the Board of Directors unless successors are sooner appointed by the Board of Directors.

## **BOARD OF DIRECTORS MEETINGS AND COMMITTEES**

During the Company's fiscal year ended June 30, 2021, the Board of Directors held a total of seven meetings, and each director then in office attended at least 75% of such meetings. Under the policies of the Board, Directors are expected to attend regular Board meetings, Board committee meetings, as applicable, and the Annual Meeting of Shareholders.

The Board has a standing Audit Committee whose members are Paul J. Corr, Chairman, Alvin O. Sabo, Carl Helmetag and Roger N. Sexauer II. The functions of this Committee include reviewing the engagement of the independent accountants, the scope and timing of the audit and any non-audit services to be rendered by the independent accountants, reviewing with the independent accountants and management the Company's policies and procedures with respect to internal auditing, accounting and financial controls, and reviewing the report of the independent accountants upon completion of its audit. During the fiscal year ended June 30, 2021, the Audit Committee held six meetings, and each Committee member attended at least 75% of such meetings.

The Board has a standing Nominating Committee whose members are Carl Helmetag, Chairman, Michael Wool, Alvin O. Sabo, Paul J. Corr and Roger N. Sexauer II. The function of this Committee is to identify and recommend to the Board individuals for nomination to fill vacancies in, and for re-nomination to, positions as Directors of the Company. During the fiscal year ended June 30, 2021, the Nominating Committee held one meeting and each Committee member attended the meeting.

The Board of Directors has a standing Compensation Committee whose members are Michael Wool, Chairman, and Carl Helmetag. The functions of this Committee include recommending to the full Board all compensation programs applicable to executive officers including salaries paid to executive officers, the compensation paid to non-employee directors and the grant of all forms of bonuses and stock-based compensation including to whom, and the time or times at which, options or stock awards will be granted, the number of shares of common stock that underlie each grant and the exercise price and vesting schedule. During the fiscal year ended June 30, 2021, the Compensation Committee held four meetings and each Committee member attended such meetings.

The Board also has a Succession Committee, members of which are Paul J. Corr, Howard Pinsley, Alvin O. Sabo, Michael Wool and Patrick T. Enright, Jr., and a Mergers and Acquisition Committee, members of which are Howard Pinsley, Michael Wool, David O'Neil, Roger N. Sexauer II and Patrick T. Enright, Jr.

*Board Independence* - The Board has determined that all of the members of the Audit Committee and the Nominating Committee meet the independence criteria for audit committee and nominating committee members as set forth in the listing standards of the NYSE American. The Board has further determined that Mr. Corr qualifies as an audit committee financial expert in accordance with the rules of the United States Securities and Exchange Commission ("SEC").

*Board Leadership* - The Board of Directors has not designated an individual as the lead independent director. Rather, the Board will designate one of its independent directors to act as a lead director on an ad hoc basis, taking into account the nature of the matter being addressed and the applicable skill set required.

*Risk Oversight and Cybersecurity* - The Board oversees the Company's processes to manage risk and the Company's cybersecurity program, and has delegated the primary responsibility for reviewing policies with respect to risk assessment, risk management and cybersecurity to the Audit Committee. Management is responsible for the development, implementation and maintenance of the risk management processes and cybersecurity program. The Audit Committee consults with the Company's Director of Information Technology regarding ongoing cybersecurity initiatives, and requests such individual, together with senior management, to report to the Audit Committee or the full Board regularly on their assessment of operational, financial and accounting, competitive, reputational, cybersecurity and legal risks to the Company.

#### **NON-EMPLOYEE DIRECTOR COMPENSATION**

Company employees who also serve on the Company's Board of Directors do not receive director's fees. The non-employee Directors receive an annual fee of \$60,000 for being a member of the Board of Directors. The current annual fee became effective on January 1, 2019.

Each Director who also serves as a member of the Audit Committee is compensated an additional annual fee of \$2,500 with the exception of the Chairman who is compensated an additional annual fee of \$5,000. Each Director who serves as a member of the Compensation Committee or the Mergers and Acquisition Committee is compensated an additional annual fee of \$2,500 for each committee. Mr. Wool, the Chairman of the ESOP Committee, is compensated an additional annual fee of \$2,500. These fees are paid in monthly installments to the Directors.

The following table sets forth the compensation of the Company's non-employee Directors for the fiscal year ending June 30, 2021:

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Option Awards (1)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Paul Corr	\$65,000	\$4,055	\$69,055
Carl Helmetag	\$65,000	\$3,419	\$68,419
Howard Pinsley	\$62,500	\$3,419	\$65,919
Alvin O. Sabo	\$62,500	\$3,419	\$65,919
Roger N. Sexauer II	\$65,000	\$3,419	\$68,419
Michael Wool	\$67,500	\$3,419	\$70,919

- (1) Represents the aggregate grant date fair value dollar amount computed in accordance with ASC Topic 718. For information concerning the assumptions made in the valuation of awards, see Note 11 of the Company's financial statements for fiscal year ended June 30, 2021.



The non-employee Directors held the following unexercised options at June 30, 2021:

<u>Name</u>	<u>Number of Securities Underlying Unexercised Options # Exercisable</u>	<u>Number of Securities Underlying Unexercised Options # Unexercisable (a)</u>	<u>Option Exercise Price \$</u>	<u>Option Expiration Date</u>
Paul J. Corr	1,600		\$25.10	8/26/2021
	1,600		\$25.18	6/1/2022
	1,600		\$27.22	8/23/2023
	1,600		\$26.09	6/12/2025
	2,000		\$26.25	12/2/2026
	2,400		\$21.75	10/10/2027
	2,242		\$27.21	12/7/2028
		2,550	\$20.50	12/6/2029
		2,550	\$18.05	10/21/2030
Carl Helmetag	1,600		\$25.10	8/26/2021
	1,600		\$25.18	6/1/2022
	1,600		\$27.22	8/23/2023
	1,600		\$26.09	6/12/2025
	1,600		\$26.25	12/2/2026
	2,000		\$21.75	10/10/2027
	1,842		\$27.21	12/7/2028
		2,150	\$20.50	12/6/2029
		2,150	\$18.05	10/21/2030
Howard Pinsley	1,600		\$25.10	8/26/2021
	1,600		\$25.18	6/1/2022
	1,600		\$27.22	8/23/2023
	1,600		\$26.09	6/12/2025
	1,600		\$26.25	12/2/2026
	2,000		\$21.75	10/10/2027
	1,842		\$27.21	12/7/2028
		2,150	\$20.50	12/6/2029
		2,150	\$18.05	10/21/2030
Alvin O. Sabo	1,600		\$25.10	8/26/2021
	1,600		\$25.18	6/1/2022
	1,600		\$27.22	8/23/2023
	1,800		\$26.09	6/12/2025
	1,600		\$26.25	12/2/2026
	2,000		\$21.75	10/10/2027
	1,842		\$27.21	12/7/2028
		2,150	\$20.50	12/6/2029
		2,150	\$18.05	10/21/2030
Roger Sexauer	1,842		\$27.21	12/7/2028
		2,150	\$20.50	12/6/2029
		2,150	\$18.05	10/21/2030

<u>Name</u>	<u>Number of Securities Underlying Unexercised Options # Exercisable</u>	<u>Number of Securities Underlying Unexercised Options # Unexercisable (a)</u>	<u>Option Exercise Price \$</u>	<u>Option Expiration Date</u>
Michael Wool	1,600		\$25.10	8/26/2021
	1,600		\$25.18	6/1/2022
	1,600		\$27.22	8/23/2023
	1,600		\$26.09	6/12/2025
	1,600		\$26.25	12/2/2026
	2,000		\$21.75	10/10/2027
	1,842		\$27.21	12/7/2028
		2,150	\$20.50	12/6/2029
		2,150	\$18.05	10/21/2030

- (a) Unexercisable options vest as follows: (i) Options with an expiration date of December 6, 2029 vest on December 6, 2021 (ii) Options with an expiration date of October 21, 2030 vest on October 21, 2022.

### COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes the annual compensation for each of the fiscal years ended June 30, 2021 and June 30, 2020 received by the Company's CEO and two most highly compensated executive officers who received over \$100,000 in total compensation for the fiscal year ended June 30, 2021 (collectively, the "Named Executive Officers"):

### SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary \$</u>	<u>Bonus \$</u>	<u>Option (1) Awards \$</u>	<u>All Other (2) Compensation \$</u>	<u>Total \$</u>
Patrick T. Enright, Jr. <i>President and Chief Executive Officer</i>	2021	\$276,322	\$0	\$9,540	\$11,015	\$296,877
	2020	\$272,037	\$150,000	\$12,120	\$10,159	\$444,316
David O'Neil <i>Exec. Vice President/ Treasurer/CFO</i>	2021	\$195,938	\$0	\$5,963	\$12,279	\$214,180
	2020	\$192,725	\$30,000	\$7,575	\$10,110	\$240,410
Peggy A. Murphy <i>Dir.HR/Corp. Sec'y</i>	2021	\$130,625	\$0	\$5,963	\$7,365	\$143,953
	2020	\$126,820	\$15,000	\$7,575	\$6,022	\$155,417

- (1) Represents the aggregate grant date fair value dollar amount computed in accordance with ASC Topic 718. For information concerning the assumptions made in the valuation of awards, see Note 11 of the Company's financial statements for fiscal year ended June 30, 2021.

All other compensation includes (i) the value of shares of the Company's common stock allocated to the Named Executive Officers' accounts in the Company's ESOP and (ii) the Company matching contributions to the Company 401(k) Plan, as set forth below. Dividends are paid on allocated shares in the Company's ESOP at the same time and rate and in the same form as dividends paid on common shares generally. ESOP shares allocated to the Named Executive Officers' accounts vest in accordance with the terms of the plan. At June 30, 2021, Messrs. Enright and O'Neil and Ms. Murphy were 100%, 100%, and 100% vested, respectively.

<b>Name</b>	<b>Year</b>	<b>Value of allocated shares in Company ESOP \$</b>	<b>Company Contributions to 401(k) Plan \$</b>	<b>Total \$</b>
Patrick T. Enright, Jr.	2021	\$9,715	\$1,300	\$11,015
	2020	\$7,559	\$2,600	\$10,159
David O'Neil	2021	\$9,655	\$2,624	\$12,279
	2020	\$7,559	\$2,551	\$10,110
Peggy A. Murphy	2021	\$6,437	\$928	\$7,365
	2020	\$5,305	\$717	\$6,022

The following table sets forth information concerning outstanding equity awards held by the Company's Named Executive Officers at fiscal year-end June 30, 2021:

#### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

<b>Name</b>	<b>Number of Securities Underlying Unexercised Options # Exercisable</b>	<b>Number of Securities Underlying Unexercised Options # Unexercisable (a)</b>	<b>Option Exercise Price \$</b>	<b>Option Expiration Date</b>
Patrick T. Enright Jr.	10,000		\$26.53	2/2/2025
	4,000		\$26.09	6/12/2025
	4,000		\$26.25	12/2/2026
	5,200		\$21.75	10/10/2027
	4,000		\$27.21	12/7/2028
		4,000	\$20.50	12/6/2029
		6,000	\$18.05	10/21/2030
David O'Neil	2,000		\$25.10	8/26/2021
	2,000		\$25.18	6/1/2022
	2,000		\$27.22	8/23/2023
	2,000		\$26.09	6/12/2025
	2,250		\$26.25	12/2/2026
	2,925		\$21.75	10/10/2027
	2,500		\$27.21	12/7/2028
		2,500	\$20.50	12/6/2029
	3,750	\$18.05	10/21/2030	
Peggy A. Murphy	2,000		\$25.10	8/26/2021
	1,500		\$25.18	6/1/2022
	1,500		\$27.22	8/23/2023
	1,500		\$26.09	6/12/2025
	2,000		\$26.25	12/2/2026
	2,600		\$21.75	10/10/2027
	2,500		\$27.21	12/7/2028
		2,500	\$20.50	12/6/2029
	3,750	\$18.05	10/21/2030	

- (a) Unexercisable options vest as follows: (i) Options with an expiration date of December 6, 2029 vest on December 6, 2021, (ii) Options with an expiration date of October 21, 2030 vest on October 21, 2022.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as of June 30, 2021 with respect to compensation plans under which equity securities of the Company may be issued:

### EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Securities remaining available for future issuance under equity compensation plan (excluding securities reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	304,662	\$23.37	212,988
Equity compensation plans not approved by security holders	--	--	--
Total	304,662		212,988

### INSURANCE

The executive officers of the Company can elect to be covered under the company-sponsored medical health plans, which do not discriminate in favor of the officers of the Company and which are available generally to all employees. In addition, the executive officers are covered under a group life plan, which does not discriminate, and is available to all employees.

The Company maintains insurance coverage, as authorized by Section 726 of the New York Business Corporation Law, providing for (a) reimbursement of the Company for payments it makes to indemnify officers and directors of the Company, and (b) payment on behalf of officers and directors of the Company for losses, costs and expenses incurred by such individuals in any actions.

### EMPLOYEE RETIREMENT PLAN AND TRUST

Under the Company's ESOP, approved by the Board of Directors on June 2, 1989, effective July 1, 1988, all non-union employees of the Company, including the Company's executive officers and non-executive officers are eligible to participate. The ESOP is a non-contributory plan, which is designed to invest primarily in shares of common stock of the Company. Certain technical amendments not considered material were adopted effective as of June 10, 1994, July 1, 2003, July 1, 2005, July 1, 2016, and January 1, 2020.

Of the 487,219 shares of common stock of the Company allocated to participants of the ESOP as of June 30, 2021, 3,713 shares were allocated to Mr. Enright, 17,649 shares were allocated to Mr. O'Neil and 7,649 shares were allocated to Ms. Murphy. Messrs. Enright, and O'Neil and Ms. Murphy were 100%, vested in their respective accounts as of June 30, 2021.

The ESOP's purchase of common stock from the Company has been financed by loans from the Company to the ESOP. Each year the Company makes contributions to the ESOP, which is used to make loan interest and principal payments to the Company. Following each payment of principal on the loan, a portion of the unallocated shares held by the ESOP is allocated to participants.

On December 1, 2020, pursuant to a Stock Purchase Agreement dated as of such date, the Company sold 300,000 shares of its common stock to the ESOP. The ESOP paid \$18.29 per share, for an aggregate purchase price

of \$5,487,000. The ESOP borrowed from the Company an amount equal to the purchase price. The loan will be repaid in fifteen (15) equal annual installments of principal and the unpaid balance will bear interest at a fixed rate of 3.00% per annum.

The Board of Directors of the Company had approved a purchase price equal to the fair market value as determined by an independent valuation firm retained by the ESOP. The average trading pricing of the Company's common stock of the NYSE – American on November 30, 2020 was \$19.12.

#### **EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT**

The Company has an Executive Employment agreement with Patrick T. Enright Jr., President and Chief Executive Officer. The agreement was effective February 1, 2018 and expires January 31, 2024. The agreement provides for the payment of base compensation and bonus compensation. Mr. Enright is entitled to an annual performance-based cash bonus currently comprised of three components, with the maximum aggregate amount payable not to exceed his annual base salary. The first component is discretionary, based upon an annual performance assessment and may not exceed 50% of the base salary. The second component is based on the increase in combined sales plus backlog over the average of the prior three fiscal years, times 0.5% (one half of one percent), and may not exceed 50% of base salary. The third component is based on the increase in operating earnings over the average of the prior three fiscal years, times 5% (five percent), and may not exceed 50% of base salary. In calculating backlog, adjustments are made in the case of a specific customer contract. In order to be eligible for the bonus compensation for a fiscal year ending June 30, Mr. Enright must be employed as President and Chief Executive Officer on December 31 following such fiscal year end. If Mr. Enright is terminated without “cause” he is entitled to nine months’ severance pay of his then current base salary, any amount of bonus to which he may be entitled based upon the non-discretionary components and health benefits.

The Company has Executive Employment agreements with David O’Neil Executive Vice President, Treasurer and Chief Financial Officer, and Peggy A. Murphy Director of Human Resources/Corporate Secretary. The agreements were effective March 1, 2013, and automatically renew for additional one year periods subsequent to June 30, 2016 unless either the Company, or Mr. O’Neil or Ms. Murphy, gives at least 60 days’ notice to the contrary. The agreements provide for the payment of base compensation and bonus compensation as determined by the Board in its discretion. If the individual is terminated without “cause” or incidental to a change of control or if the individual terminates employment for “good reason” the individual is entitled to nine months’ severance pay of his or her then current base salary plus health benefits.

#### **STOCK TRADING POLICY – HEDGING**

The Board has implemented a stock trading policy that applies to the Board of Directors, executive officers and other persons whom the Company may designate from time to time as “insiders” because of their access to information. Under this policy, trading in the Company’s securities is prohibited except during specifically designated windows. Additionally, these persons are prohibited from engaging in various trading practices which would suggest speculation in Company securities, including short sales, puts, calls, trading on margin, swaps, or other hedging transactions. The policy also disallows these persons from pledging the Company securities as collateral for a loan.

#### **AUDIT COMMITTEE REPORT**

The Audit Committee of the Board of Directors (the “Committee”) is comprised of four independent directors and operates under a written charter, revised most recently by the Board on September 7, 2018. The Audit Committee Charter is available on the Company’s website at [www.espey.com](http://www.espey.com) under the tab “Corporate Governance”.

In fulfilling its responsibilities, the Committee has reviewed and discussed the Company’s audited consolidated financial statements for the fiscal year ended June 30, 2021 with management and the independent public accountants.

The Committee has discussed with the independent public accountants the matters required to be discussed by Statement on Auditing Standard No. 16, as amended (Communications with Audit Committees). In addition, the Committee has received and reviewed the written disclosures and the letter from the independent public accountants required by Independence Standards Board No.1 (Independence Discussions with Audit Committees), and has discussed with the auditors the auditors' independence.

The Committee considered and concluded that the provision of non-audit services by the independent public accountants was compatible with maintaining their independence.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements referred to above be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021.

Audit Committee:  
Paul J. Corr, Chairman  
Carl Helmetag  
Alvin O. Sabo  
Roger N. Sexauer II

#### **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

The Nominating Committee of the Board of Directors (the "Nominating Committee") is comprised of five independent directors and operates under a written charter. A copy of the charter is available on the Company's website, [www.espey.com](http://www.espey.com), under the tab "Corporate Governance".

The Nominating Committee will review the present needs of the Board and establish criteria as to particular qualifications in terms of background and experience that could meet such needs. At a minimum, the Nominating Committee believes that nominees for Directors should have either experience in the industry in which the Company engages or professional, business or academic qualifications that differ from existing members of the Board and could augment the aggregate expertise possessed by Board members. In addition to industry experience, the Nominating Committee will consider the following skill sets and experience; corporate management experience, financial acumen, experience in international sales, mergers and acquisition experience and corporate governance experience. The Company further believes that all nominees should be able to make a contribution to the Board that will enhance the development and growth of the Company's business and shareholder value; devote adequate time to service as a Director; and work well with other Board members in a collegial manner.

The Nominating Committee evaluates prospective nominees identified on its own initiative or referred to it by other Board members, management, shareholders or external sources and all self-nominated candidates. The Nominating Committee will use the same criteria for evaluating candidates nominated by shareholders and self-nominated candidates as it does for those proposed by other Board members, management and search companies.

The Nominating Committee's evaluation of existing Board members and prospective new Board members and the implementation of a diversity policy will be in the context of determinations made regarding the size of the Board of Directors. The Company is a small business with less than \$40 million in sales and operations at only one location. Due, in part, to the size of the Company's business and the relatively simple corporate structure, the Board determined to reduce the fixed number of Directors to six. As existing directors retire, diversity is a factor that will be considered by the Nominating Committee in selecting new nominees.

The Nominating Committee will consider bona fide recommendations by shareholders as to potential Director Nominees, who meet the above standards. A shareholder wishing to submit such a recommendation should send a letter, postmarked no more than 180 days and no later than 120 days prior to the date on which the Company's Annual Meeting was held during the prior year, to the Secretary of the Company. In the case of an Annual Meeting that is called for a date that is not within 30 calendar days before or after the first anniversary date of the Annual Meeting of Shareholders in the immediately preceding year, any such written proposal of nomination must be received

by the Secretary not less than five days after the Company shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that an Annual Meeting of Shareholders will be held. The letter must identify its writer as a shareholder of the Company, provide evidence of the writer's stock ownership and provide:

- The name, address, telephone number and social security number of the candidate to be considered;
- A description of understandings, contractual, business or familial relationships between the shareholder and the candidate, if any, and an unexecuted written consent of the candidate to serve as a director of the Company, if nominated and elected;
- The candidate's resume and at least three references;
- A statement of the candidate's qualifications to serve on the Board of Directors and specified Board committees which shall include an explanation as to how elements of the candidate's background and experience would be a benefit to the Company and its business.

All candidates recommended to the Nominating Committee must meet the independence standards of the NYSE American and the definition of "independent director" in the Company's By-Laws.

### **COMPENSATION COMMITTEE**

The Compensation Committee of the Board of Directors (the "Committee") is comprised of two independent directors and operates under a written charter, adopted on February 20, 2009. A copy of the charter is available on the Company's website, [www.espey.com](http://www.espey.com), under the tab "Corporate Governance".

The objectives of the compensation program are designed to align performance with the interests of shareholders, reward performance, retain and recruit qualified and effective talent.

The Committee will consult with senior management to establish, review and evaluate the long-term strategy of executive compensation and the types of stock and other compensation plans utilized by the Company. The Committee will also assist the Board in the establishment of annual goals and objectives for the Company's Chief Executive Officer, as well as consulting with the Chief Executive Officer to establish goals and objectives for other members of senior management. The Committee will assist the Board in establishing plans for executive officer development. The Committee has not engaged a compensation consultant in connection with the discharge of its responsibilities.

The Committee is responsible for recommending to the Board all grants and awards under the Company's stock option plans and other equity-based plans. It is not intended that the authority of the Board to make grants under the 2017 Stock Option and Restricted Stock Plan be delegated to the Committee, but rather that the Committee serve in an advisory capacity. The Committee will also consult with the Chief Executive Officer for senior management grants and awards. The Board has authorized the Chief Executive Officer to grant up to 2,000 stock options, without further approval, incidental to the hiring of new senior level employees.

The Committee will review compensation paid to non-employee directors and make recommendations to the Board for any adjustments.

The Committee will review and approve, in consultation with the Chief Executive Officer, any severance or similar termination payments proposed to be made to any current or former executive officer of the Company (other than the current Chief Executive Officer), and review and recommend to the Board any severance or similar termination payments proposed to be made to the current Chief Executive Officer.

### **SHAREHOLDER COMMUNICATIONS WITH THE BOARD**

Mail can be addressed to Directors in care of the Office of the Secretary, Espey Mfg. & Electronics Corp., 233 Ballston Avenue, Saratoga Springs, New York 12866. At the direction of the Board of Directors, all mail received will be opened and screened for security purposes. The mail will then be logged in. All mail, other than trivial or obscene items, will be forwarded. Trivial items will be delivered to the Directors at the next scheduled Board meeting.

Mail addressed to a particular Director will be forwarded or delivered to that Director. Mail addressed to “Outside Directors” or “Non-Management Directors” will be forwarded or delivered to the Chairman of the Audit Committee. Mail addressed to the “Board of Directors” will be forwarded or delivered to the Chairman of the Board.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table sets forth information regarding ownership of the Company’s outstanding Common Stock as of October 15, 2021, by each person or group who is known to the Company to be the beneficial owner of more than five percent of the outstanding shares of Common Stock:

<b>Title</b>	<b>Name and Address of</b>	<b>Amount and Nature of</b>	<b>Percent</b>
<b><u>Class</u></b>	<b><u>Beneficial Owner</u></b>	<b><u>Beneficial Ownership of Class</u></b>	
Common Stock	Renaissance Technologies LLC; Renaissance Technologies Holding Corporation 800 Third Ave, New York, NY 10022	129,114 - Direct (1)	5.37%
	Stanley Kesselman c/o Maxim Group 405 Lexington Ave., 2nd Floor New York, NY 10174	239,877 - Direct (2)	9.98%
	Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust 233 Ballston Ave. Saratoga Springs, NY 12866	768,663 – Indirect (3)	28%

- (1) The information is from Schedule 13G/A filed February 11, 2021 with the SEC by Renaissance Technologies LLC (“LLC”) and Renaissance Technologies Holding Corporation (“Holding”). Because of Holding’s majority ownership of LLC, each of LLC and Holding reports sole voting power over 126,101 shares, and sole dispositive power over 129,114 shares.
- (2) The information is from Schedule 13G/A filed January 16, 2020 with the SEC by Mr. Kesselman.
- (3) The information is from Schedule 13G filed February 1, 2021 with the SEC. The ESOP holds an aggregate of 768,663 shares of the Company’s Common Stock (28% of the outstanding shares). The ESOP has the sole voting power with respect to shares held by it which have not been allocated to participant accounts, and shared voting power with respect to shares held by it which have been allocated to participant accounts.

The ESOP Trustees, Howard Pinsley and Peggy Murphy, disclaim beneficial ownership of the shares held by the ESOP, with the exception of the 24,616 and 7,077 shares which are allocated to their respective accounts.

Pursuant to the ESOP, participants are entitled to instruct the Trustees as to the voting of shares allocated to their accounts unless the Trustees determine that the instructions would be a violation of ERISA. Subject to ERISA, the Trustees vote the unallocated shares in the manner directed by the Board of Directors of the Company, which is currently in the same proportion as the instructions received on the allocated shares.



## SECURITY OWNERSHIP OF MANAGEMENT

The following information is furnished as of October 15, 2021, as to each class of equity securities of the Company beneficially owned by all Directors and Executive Officers and by Directors and Executive Officers of the Company as a Group:

<u>Title Class</u>	<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Common Stock	Paul J. Corr	34,431- Direct (1)	1.2%
Common Stock	Patrick T. Enright, Jr.	34,700- Direct (1) 3,713- Indirect (2)	1.4%
Common Stock	Carl Helmetag	32,361- Direct (1) 1,504- Indirect (3)	1.2%
Common Stock	Peggy Murphy	294,129- Direct (1)(4) 7,560- Indirect (2)	11.1%
Common Stock	David O'Neil	26,175 - Direct (1) 17,649 - Indirect (2)	1.6%
Common Stock	Howard Pinsley	366, 434 - Direct (1)(4) 24,616 - Indirect (2)	14.4%
Common Stock	Alvin O. Sabo	18,892 - Direct (1) 13,409 - Indirect (3)	1.2%
Common Stock	Roger N. Sexauer II	4,992 - Direct	*
Common Stock	Katrina Sparano	12,150 - Direct (1) 6,000 - Indirect (2)	*
Common Stock	Michael Wool	27,392 - Direct (1)	1%
	Officers and Directors as a Group (10 persons)	851,656 - Direct (1) 74,451 - Indirect (2), (3)	32.56%

\* Less than one percent

1) Direct shares include options to acquire shares, which are exercisable within 60 days as follows:

<u>Name of Beneficial Owner</u>	<u>Exercisable Options</u>	<u>Name of Beneficial Owner</u>	<u>Exercisable Options</u>
Paul J. Corr	13,992	Howard Pinsley	12,392
Patrick T. Enright, Jr.	31,200	Alvin O. Sabo	12,592
Carl Helmetag	12,392	Roger N. Sexauer II	3,992
Peggy Murphy	14,100	Katrina Sparano	12,150
David O'Neil	16,175	Michael Wool	12,392

2) Includes shares allocated to the named officer as of June 30, 2021, as a participant in the Company's ESOP and may reflect dispositions that have occurred since the date of the person's last ownership report on Form 4. Each

such person has the right to direct the manner in which such shares allocated to him or her are to be voted by the ESOP Trustee.

- 3) In the case of Mr. Helmetag, represents 1,504 shares held in an IRA account. In the case of Mr. Sabo, includes 11,999 shares held in an IRA account, and includes 1,410 shares owned by Mr. Sabo's wife, as to which Mr. Sabo disclaims beneficial ownership.
- 4) Includes 279,429 shares owned by the ESOP which have not been allocated to participant accounts as to which each of Ms. Murphy and Mr. Pinsley disclaim beneficial ownership. Ms. Murphy and Mr. Pinsley serve as Trustees of the ESOP. Pursuant to the ESOP, participants are entitled to instruct the Trustees as to the voting of shares allocated to their accounts unless the Trustees determine that the instructions would be a violation of ERISA. Subject to ERISA, the Trustees vote the unallocated shares in the manner directed by the Board of Directors of the Company, which is currently in the same proportion as the instructions received on the allocated shares.

There are no arrangements known to the Company, the operation of which may at a subsequent date, result in change of control of the Company.

#### **CODE OF ETHICS**

The Company had adopted a Code of Ethics which is available on the Company's website at [www.espey.com](http://www.espey.com) under the tab "Corporate Governance."

#### **PROPOSAL NO. 2**

#### **RATIFICATION OF APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Audit Committee has selected Freed Maxick CPAs, P.C. ("Freed Maxick") as the Company's independent public accountants for the fiscal year ending June 30, 2022.

Unless otherwise specified by the shareholders, the shares represented by their properly executed proxies will be voted for ratification of the appointment of Freed Maxick as independent accountants for the fiscal year ending June 30, 2022. The Company is advised by said firm that neither the firm nor any of its members now has, or during the past three years had, any direct financial interest or material indirect financial interest or any connection with the Company.

A representative of Freed Maxick is expected to be present at the Annual Meeting with the opportunity to make a statement if he or she desires to do so and to be available to respond to appropriate questions from the shareholders.

#### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF FREED MAXICK CPAS, P.C. AS INDEPENDENT PUBLIC ACCOUNTANTS FOR THE COMPANY FOR THE FISCAL YEAR ENDING JUNE 30, 2022.**

The fees billed or expected to be billed for professional services by Freed Maxick for the fiscal years ended June 30, 2021 and June 30, 2020 were:

<b><u>TYPE OF FEES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
(1) Audit Fees	\$93,750	\$93,750
(2) Audit Related Fees	\$0	\$0
(3) Tax Fees	\$12,400	\$12,400
(4) All Other Fees	None	None
Total	<u>\$106,150</u>	<u>\$106,150</u>

In the above table, in accordance with the Securities and Exchange Commission's definitions and rules, "audit fees" are fees for professional services rendered by the principal accountant for the audit of the Company's annual financial statements included in Form 10-K and review of financial statements included in Forms 10-Q, and for services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements; "audit-related fees" are fees for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements; "tax fees" are fees for tax compliance, tax advice and tax planning rendered by the principal accountant. 100% of the services set forth in items (1) through (3) above were approved by the Audit Committee in accordance with its charter.

#### **COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and persons who own more than ten percent of a registered class or the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership with the Securities and Exchange Commission. Based solely upon its review of copies of such reports received by it, or upon written representations obtained from certain reporting persons, the Company believes that its officers, directors, and stockholders who own more than ten percent of the Company's equity securities complied with all Section 16(a) filing requirements for the fiscal year ended June 30, 2021.

#### **ANNUAL REPORTS**

The Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021, including financial statements as filed with the Securities and Exchange Commission, accompanies this Proxy Statement. Such financial statements are not incorporated herein by reference.

A copy of the Company's Annual Report on Form 10-K (including financial statements and schedules thereto) for the fiscal year ended June 30, 2021, filed with the Securities and Exchange Commission will be provided without charge upon the written request of shareholders to Espey Mfg. & Electronics Corp., Attention: Investor Relations, 233 Ballston Avenue, Saratoga Springs, New York 12866. The Company's Form 10-K for the fiscal year ended June 30, 2021 can also be viewed electronically through a link at the Company's website at [www.espey.com](http://www.espey.com).

#### **SHAREHOLDER PROPOSALS**

Any shareholder proposal which may be a proper subject for inclusion in the proxy statement and for consideration at the 2022 Annual Meeting must be received by the Company at its Principal Executive Office no later than July 8, 2022, if it is to be included in the Company's 2022 proxy statement and proxy form. In addition, the Company's By-Laws outline procedures that a shareholder must follow to nominate directors or to bring other business before an Annual Meeting of Shareholders. Except as required under the Business Corporation Law of New York, shareholder proposals will not be considered at special meetings.

#### **PROXY SOLICITATION**

The solicitation of the enclosed proxy is being made on behalf of the Board of Directors and the cost of preparing and mailing the Notice of Meeting, Proxy Statement and form of proxy to shareholders is to be borne by the Company.

By Order of the Board of Directors,

*Patrick T. Enright Jr.*  
*President and Chief Executive Officer*

October 28, 2021  
Saratoga Springs, New York