

Auburn National Bancorporation, Inc. (the “Company”) has elected to permit shareholders to use the Direct Registration System (“DRS”) as another means of registered stock ownership. This flyer outlines what DRS is and what it means to you as a registered shareholder.

What is DRS?

Direct Registration is the ownership of stock registered in your own name on the books of the Company, without taking possession of a printed stock certificate. Instead, **your ownership is recorded and tracked as an accounting entry on the books of the Company.** DRS is a system that electronically moves investors’ positions between brokers and transfer agents for issuers that offer direct registration.

Why is the Company offering DRS?

DRS gives our shareholders several advantages:

- It eliminates the risk of loss or theft of your stock certificate and the potential cost and inconvenience of having to obtain a surety bond to replace a lost security;
- Eliminates the need for you to store your certificates and retrieve them should you wish to transfer or sell your shares.

How will I know how many shares I own?

The Company’s transfer agent, Registrar and Transfer Company (“R&T”), will periodically send you an account statement showing you how many shares are held by you in certificate and book-entry and how many shares are held for you in the Company’s Dividend Reinvestment Plan, if you participate in the Plan.

What about certificates that I currently hold?

You can deposit your certificates into book-entry if you desire or continue to hold them. To deposit shares into DRS book-entry, simply mail the certificates to the address below with a cover letter instructing R&T to deposit these shares into your account in book-entry. R&T will deposit the certificates and send you a transaction confirmation for your records. We recommend insuring the certificates for 2% of the current market value whenever certificates are mailed.

Registrar and Transfer Company
Attn: Transfer Department
10 Commerce Drive
Cranford, NJ 07016

What happens if I hold a certificate and there is a stock distribution?

You will receive a DRS statement of ownership for the extra shares. An additional certificate will not be issued. You always have the right to later request and receive a certificate or to electronically move your securities to your brokerage account.

What happens if I lose a DRS account statement?

If you need a duplicate statement of ownership, contact R&T and they will mail you a new one. There is no surety charge for additional account statement.

How can I transfer shares to my broker?

To transfer your shares to your brokerage account, provide your broker with:

- The most recent copy of your R&T account statement;
- The Social Security Account Number on your account;
- Your R&T account number (which is on the statement)
- R&T’s DTC number, 7820;
- The number of whole shares held in book-entry and/or DRP that you wish to transfer to your brokerage account.

Your broker will request that your shares be delivered to your brokerage account through the Depository Trust Company’s Profile System.

If I have more questions, how can I get answers?

You can go on-line to the Registrar and Transfer Company (R&T) website, www.rtco.com, or call the R&T Investor Relations Department at 800-368-5948 to Speak to a representative.

You may also contact: Marcia Otwell, Shareholder Relations at AuburnBank at 334-887-2797.



**AUBURN NATIONAL BANCORPORATION,
INC.**

**DIRECT REGISTRATION:
Holding Your Shares in Book Entry**