

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name Gouverneur Bancorp, Inc.		2 Issuer's employer identification number (EIN) 37-2102925	
3 Name of contact for additional information Kimberly Adams	4 Telephone No. of contact 315-287-2600	5 Email address of contact kadams@gouverneurbank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 42 Church Street		7 City, town, or post office, state, and ZIP code of contact Gouverneur, NY 13642	
8 Date of action October 31, 2023		9 Classification and description Gouverneur Bancorp, Inc. Common Stock	
10 CUSIP number 38358M 109	11 Serial number(s)	12 Ticker symbol GOVB	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 31, 2023 Gouverneur Bancorp, Inc., a newly formed Maryland corporation ("Holding Company") completed its public stock offering in connection with the conversion of Cambray Mutual Holding Company from a mutual holding company to the stock holding company form of organization (the "Conversion"). As a result, the interests in Gouverneur Bancorp, a federally chartered holding company ("the Mid-Tier Holding Company"), that were held by the public shareholders were converted into shares of Gouverneur Bancorp, Inc.'s (Holding Company) common stock so that the Mid-Tier Holding Company's existing shareholders will own approximately the same percentage of Gouverneur Bancorp, Inc.'s (Holding Company) common stock as they owned of the Mid-Tier Holding Company's stock immediately prior to the conversion, subject to certain adjustments. Gouverneur Bancorp, Inc.'s (Holding Company) EIN is 37-2102925, the CUSIP number is 38358M 109 and the ticker symbol is GOVB. Gouverneur Bancorp, Inc.'s (Holding Company) stock is traded on the OTCQB Marketplace. Gouverneur Bancorp, Inc.'s mailing address is 42 Church Street, Gouverneur, New York 13642.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ This conversion qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986 (as amended). As such, in general, each stockholder's aggregate basis in his or her Gouverneur Bancorp, Inc. (Holding Company) Common Stock (including fractional share interests deemed to be received and exchanged for cash) received in the exchange will be the same as the aggregate basis of the Mid-Tier Holding Company common stock surrendered in exchange therefore, less any basis attributable to fractional share interests for which cash is received.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Gouverneur Bancorp, Inc. (Holding Company) sold 723,068 shares of common stock at \$10.00 per share, which includes 57,845 shares sold to Gouverneur Bancorp, Inc.'s Employee Stock Ownership Plan. Shareholders of the Mid-Tier Holding Company received 0.5334 shares of Gouverneur Bancorp, Inc.'s (Holding Company) common stock for each share of the Mid-Tier Holding Company's common stock they owned immediately prior to completion of the transaction. Cash in lieu of fractional shares will be paid based on the offering price of \$10.00 per share. As a result of the offering and the exchange of shares, Gouverneur Bancorp, Inc. (Holding Company) has 1,107,178 shares outstanding, subject to adjustment for fractional shares. See Attachment 1 for further details.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based Internal Revenue Code Sections 368(a) (1) (A); 354 (a); 1032; 1233 (1); 1223 (2); 361 (a); 362 (b); 356 (a); 357(a); 358(a); and 1012.

18 Can any resulting loss be recognized? A shareholder who received solely Gouverneur Bancorp, Inc. (Holding Company) common stock in exchange for all of his or her Mid Tier Holding Company common stock would not recognize loss. A shareholder who received cash in lieu of a fractional share may recognize loss, but only with respect to the fractional share, if the amount of cash received is less than the tax basis of the fractional share.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year In general, any adjustment to the tax basis that causes gain or loss to be recognized by Gouverneur Bancorp, Inc. (Holding Company) shareholders as a result of the conversion and stock offering should be reported for the taxable year which includes October 31, 2023 (i.e. - a calendar year taxpayer would report the transaction on his or her federal income tax return filed for the 2023 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Kimberly A Adams VP & CFO Date ▶ 12/14/2023

Print your name ▶ Kimberly A Adams VP & CFO Title ▶ VP & CFO

Paid Preparer Use Only

Print/Type preparer's name Paul E. Fries	Preparer's signature <i>PEF</i>	Date 12/12/23	Check <input type="checkbox"/> if self-employed	PTIN P00359050
Firm's name ▶ Bonadio & Co., LLP			Firm's EIN ▶ 16-1131146	
Firm's address ▶ 171 Sully's Trail Pittsford, NY 14534			Phone no.	

Attachment 1

Gouverneur Bancorp, Inc.  
Form 8937  
Line 16

The following example illustrates the method by which a former shareholder of Gouverneur Bancorp Inc. (Mid-Tier Holding Company) could determine his or her basis in the common stock of Gouverneur Bancorp, Inc. (Holding Company) received in the second-step conversion and stock offering (the "Conversion"). The example assumes that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of Mid-Tier Holding Company in one block at the same price for cash and holds such shares as capital assets. The example does not address any special rules that may apply to a particular shareholder (including shares received as compensation), nor does it address the consequences of any state, local or foreign tax laws.

**Example:**

Number of shares of Mid-Tier Holding Company held prior to the Conversion - 100

Tax basis in each share of Mid-Tier Holding Company - \$10

Aggregate tax basis in Mid-Tier Holding Company shares - \$1,000

Cash paid in lieu of fractional shares - \$10.00 times the fractional share

Exchange ratio - 0.5334

1. Cost Basis in Mid-Tier Holding Company stock: (100 x \$10)	<u>\$1,000.00</u>
2. Shares of Gouverneur Bancorp, Inc. received: (100 x 0.5334)	<u>53.00</u>
3. Taxable gain on fractional share:	
Cash paid in lieu of fractional share (0.34 x \$10.00)	\$3.40
Less: basis attributable to fractional share	
-- \$10.00 per share/0.5334 exchange ratio = \$18.74766/share	
-- \$18.74766 x .34 =	<u>\$6.37</u>
Taxable loss	<u>-\$2.97</u>
4. Tax basis in Gouverneur Bancorp, Inc. (Holding Company) shares received in the Conversion	
Basis in shares received (including fractional share)	\$1,000.00
Less: Basis attributable to fractional share	<u>\$6.37</u>
Basis in Gouverneur Bancorp, Inc. shares	<u>\$993.63</u>
Per share basis (\$993.63/53 shares)	<u>\$18.75</u>

The calculations set forth above are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.

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The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used for the purposes of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing, or recommending any transaction or matter addressed herein.

Posted to Gouverneur Bancorp, Inc.'s website on December 15, 2023.