



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

(e) On March 29, 2018, Jeffrey M. Werdein (the "Executive"), Executive Vice President, Commercial Division of Lake Shore Bancorp, Inc. (the "Company") and Lake Shore Savings Bank (the "Bank"), the wholly owned subsidiary of the Company, entered into a retention agreement with the Bank, pursuant to which the Executive will receive a lump sum payment of \$1.4 million (the "Normal Retention Payment") provided that the Executive remains continuously employed with the Bank through March 29, 2028 (the "Retention Date"). The Normal Retention Payment will be paid in three equal installments on March 29, 2028, January 2, 2029, and January 2, 2030.

If the Executive's employment is terminated without cause or for good reason (as defined in the agreement) prior to the Retention Date, the Executive will receive the vested account balance as set forth in the agreement. In the event that the Executive's employment terminates prior to the Retention Date due to death or disability, the Executive or his beneficiary, as applicable, will generally receive the vested account balance. If the Executive's employment is terminated prior to the Retention Date, and within two years of a change in control (as defined in the agreement), the Executive will receive the Normal Retention Payment in a lump sum payment.

The foregoing description of the agreement does not purport to be complete, and it is qualified in its entirety by reference to the agreement attached hereto as Exhibit 10.1 of this Current Report on Form 8-K and is incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

10.1 Retention Agreement between Lake Shore Savings Bank and Jeffrey Werdein effective as of March 29, 2018

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SIGNATURES

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

LAKE SHORE BANCORP, INC.

DATE: April 3, 2018 By: /s/ Daniel P. Reininga  
Name: Daniel P. Reininga  
Title: President and Chief Executive Officer