

NBT Bancorp Inc.
Compensation and Benefits Committee Charter

Purpose of the Committee

The Compensation and Benefits Committee is empowered by the Board to discharge the Board's responsibilities relating to compensation of the Company's Chief Executive Officer ("CEO"), directors and Executive Management Team, and to consider, recommend, administer and implement the Company's benefit plans, incentive-compensation plans and equity-based plans.

The Compensation and Benefits Committee is also responsible for preparing a report on executive compensation for inclusion in the Company's annual meeting proxy statement, in accordance with applicable rules and regulations.

Committee Membership

The Compensation and Benefits Committee shall consist of no fewer than three independent members of the Board. The members of the Compensation and Benefits Committee shall meet the independence requirements of the Nasdaq Stock Market, Inc. and any other legal requirements relevant to the proper administration of the Company's compensation plans and programs, including requirements under the federal securities laws and the Internal Revenue Code of 1986, as amended.

The Chairman and members of the Compensation and Benefits Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Compensation and Benefits Committee members may be removed and replaced by the Board, but all replacements shall be made on the recommendation of the Nominating and Corporate Governance Committee.

Committee Powers, Authority, Duties and Responsibilities

1. The Compensation and Benefits Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of CEO, the director or Executive Management Team compensation, including the sole authority to approve the consultant's fees and other retention terms. The Compensation and Benefits Committee shall also have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors as it deems necessary to carry out its duties.
2. The Compensation and Benefits Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation and Benefits Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years, and may consider such other factors as it deems necessary or advisable.
3. The Compensation and Benefits Committee shall annually, and at the time of any new hire, review and approve, for the CEO and other members of the Executive Management Team of the Company, (a) the annual base salary amount, (b) annual bonus arrangements, if any, (c) any long-term incentive compensation, (d) any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable and (e) any prerequisites, special or supplemental benefits.

4. To the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Securities Exchange Act of 1934, or Section 162 (m) of the Internal Revenue Code of 1986, the Board may delegate exclusive authority to the Compensation and Benefits Committee to approve or ratify elements of compensation of the CEO and other members of the Executive Management Team.
5. The Compensation and Benefits Committee shall consider, recommend, adopt, amend, administer and implement the Company's benefit plans, incentive compensation plans and equity-based plans in which directors, the CEO, other members of the Executive Management Team and other employees of the Company and its subsidiaries may be participants, including, but not limited to, (a) approving option grants and restricted stock or other awards, (b) interpreting the plans, (c) adopting or amending Company benefit plans and incentive compensation plans; (d) determining rules and regulations relating to the plans, (e) modifying or canceling existing grants or awards and (f) imposing limitations, restrictions and conditions upon any grant or award as the Compensation and Benefits Committee deems necessary or advisable.
6. The Compensation and Benefits Committee shall annually assess the desirability of proposing and make recommendations to the Board with respect to any new equity-based plans and any increase in shares reserved for issuance under existing equity plans.
7. The Compensation and Benefits Committee shall prepare a report on executive compensation for inclusion in the Company's annual meeting proxy statement, in accordance with applicable rules and regulations.
8. The Compensation and Benefits Committee may form and delegate authority to subcommittees if determined to be necessary or advisable and may delegate the authority to adopt, amend, administer and implement the Company's benefit plans other than equity incentive plans and retirement plans to Company management.
9. The Compensation and Benefits Committee shall meet as often as may be deemed necessary or appropriate in its judgement, but not less than two times per year. The Compensation and Benefits Committee shall make reports to the Board at the next regularly scheduled meeting following the meeting of the Compensation and Benefits Committee or at such times as the Committee deems appropriate.
10. The Compensation and Benefits Committee shall review and reassess the adequacy of this Charter and its own performance annually and present recommendations for any proposed changes to the Nominating and Corporate Governance Committee of the Board.
11. The Compensation and Benefits Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.
12. The CEO shall attend at least a portion of each meeting of the Committee. At the discretion of the Chairman of the Committee, but at least during deliberation and voting related to CEO compensation, the members of the Committee shall meet in Executive Session.
13. The Compensation and Benefits Committee shall periodically review the Company's progress in meeting diversity goals.
14. The Compensation and Benefits Committee shall periodically review the succession plan for key executives; and review periodic reports from management on matters relating to the Company's personnel appointments and practices.