

NBT Bancorp Inc. Corporate Governance Guidelines

The Board of Directors has adopted the Corporate Governance Guidelines set forth below for the management of the Company. These guidelines include:

- Director qualification standards
- Director responsibilities
- Director's access to Management and independent advisors
- Director compensation
- Director orientation and continuing education
- Management succession
- Annual performance evaluation of the Board of Directors

The term Company shall mean NBT Bancorp Inc. and any of its subsidiaries. These Guidelines (along with the charters of the Board Committees and the Code of Business Conduct and Ethics) are published on NBT Bancorp's website (www.nbtbancorp.com) and are available in print to any shareholder that requests them.

Director Qualification Standards

The majority of the members of the Board will meet the independence requirements of the Nasdaq Stock Market, Inc.

The Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, considers and makes recommendations to the Board concerning the appropriate size and needs of the Board and the frequency of meetings. The Nominating and Corporate Governance Committee identifies director candidates, reviews the qualifications and experience of each person considered as a nominee for election or reelection as a director, and makes recommendations of director nominees for approval by the Board and the shareholders. The Compensation and Benefits Committee annually reviews the compensation for directors, and makes recommendations to the Board.

In addition to the qualifications and experience considered by the Nominating and Corporate Governance Committee:

- Every director must be a citizen of the United States and have resided in the State of New York, or within two hundred miles of the principal office of the Company, for at least one-year immediately preceding his election.
- Each director must own \$1,000.00 aggregate book value of Company's common stock.
- No person shall be eligible for election or reelection as a director if they shall have attained the age of 70 years.

Members of the Board of Directors are required to disclose any changes in employment or positions on outside boards of directors to the Chairman of the Nominating and Corporate Governance Committee. The Chairman of the Nominating and Corporate Governance Committee will make required disclosures to the Chairman of the Board.

Director Responsibilities/Duties of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board of Directors, and all corporate powers shall be exercised by or under the direction of the Board of Directors, except as otherwise expressly required by the By-Laws, by the Certificate of Incorporation or by law. The Board of Directors is the ultimate decision-making body of the Company, except with respect to those matters reserved for the shareholders.

The Board selects the Chief Executive Officer and approves compensation for the CEO based on the recommendations of the Nominating and Corporate Governance Committee and the Compensation and Benefits Committee. The Board acts as an advisor and counselor while overseeing the CEO in the operation of the Company and ultimately monitors the CEO's performance. The Nominating and Corporate Governance Committee makes recommendations to the Board for the election and reelection of directors as well as for a Chairman and the directors to serve on Board Committees.

Other duties and responsibilities of Directors include:

- Each director owes a fiduciary duty of loyalty to the Company.
- Each director owes a fiduciary duty of care and diligence to the Company.
- Each director must be familiar and comply with the Company's policy on confidentiality and insider trading.

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- Each director shall exercise his or her business judgment to act in what he or she reasonably believes to be in the best interest of the Company and its shareholders. Each director will, as appropriate, take into consideration the interests of other stakeholders, including employees, suppliers, creditors, customers and the communities in which the Company operates.
- Each director is required to read all examination reports submitted to the Company by each governing state and federal banking regulatory agency. The directors will monitor all remedial actions necessary to comply with all recommendations and requirements of such examinations.

The Board of Directors shall establish all Corporate Governance policies in consultation with the Nominating and Corporate Governance Committee.

Board Functions

The Board performs the following specific functions:

- Selects, compensates and evaluates the Chief Executive Officer and plans for management succession;
- Oversees compensation for members of the Executive Management Team (which includes the CEO);
- Reviews and approves the Company's strategic plan and the annual operating and capital plans, budgets, and corporate performance;
- Reviews and approves significant corporate actions;
- Nominates directors and oversees effective corporate governance;
- Reviews financial results of the Company as reported to the Board at each regularly scheduled meeting; and
- Reviews the Annual Proxy Statement.

Meetings of the Board/Directors Access to Management and Independent Advisors

The Chairman of the Board sets the agenda for Board meetings with the understanding that items pertinent to the advisory, monitoring and approval functions of the Board be presented in a timely fashion for review and/or decision. Any member of the Board may request that an item be included on the agenda. Any member of the Board may raise at any Board meeting, subjects that are not on the agenda for that meeting.

Pertinent Board materials related to agenda items are delivered to directors sufficiently in advance of the scheduled board meeting to allow the directors to prepare for discussion of the items prior to the scheduled meeting. Additional material may be included in the directors' folders at the meeting, when appropriate.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Members of Management may attend Board meetings or portions thereof on a regular basis for the purpose of making presentations, responding to directors' questions, and participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations. The Board encourages presentations from officers, other than Executive Management Team members, who have special expertise.

Board members have complete access to the Executive Management Team and other employees of the Company through the CEO.

The Board and each committee have the power to hire, at the expense of the Company, independent legal, financial or other advisors, as they may deem necessary or desirable to assist them in the performance of their functions.

The independent directors of the Board will meet at least twice per year in executive session. The Chairman of the Board will preside at these meetings unless the Chairman of the Board is not deemed independent. In cases where the Chairman of the Board is not deemed independent, the Vice-Chairman of the Board will preside at meetings of the independent directors of the Board. Should the Chairman and the Vice-Chairman of the Board both not be deemed independent, the Chairman of the Compensation and Benefits, Risk Management or Nominating and Corporate Governance Committee will preside at these meetings based on a rotation determined each year by the independent directors of the Board. The name(s) of the Director(s) presiding over the meetings of the independent directors of the Board will be disclosed in the annual proxy statement.

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Committee Structures and Responsibilities

The Board has established four standing committees. The standing committees are the Risk Management Committee, the Nominating and Corporate Governance Committee, the Executive Committee, and the Compensation and Benefits Committee. Each of the standing committees has its own written charter, except for the Executive Committee whose duties and powers are to act either in lieu of, or in the place of, the full Board under limited and special circumstances. The full Board reviews and approves the Committee charters. The Nominating and Corporate Governance Committee annually reviews the charters of each of the committees, and makes recommendations to the Board with respect to the roles and responsibilities of the Committees of the Board, the appointment of committee chairs and members. The Compensation and Benefits Committee recommends the performance criteria and compensation for directors. The Board may establish such other committees to assist it in carrying out its duties, as it deems appropriate or desirable.

Committees shall report their activities to the Board at the next regularly scheduled meeting of the Board of Directors following the committee meeting.

All of the members of the Risk Management, Nominating and Corporate Governance, and Compensation and Benefits Committees will be independent directors under the specific criteria established by various laws and regulations, including regulations of the NASDAQ Stock Market, Inc. and the SEC. All members of these committees will meet the definition of a 'non-employee' director within the meaning of Rule 16b-3 under the Securities and Exchange Act of 1934, as amended.

The Chair of each committee, with the assistance of appropriate Management members, develops the Committee's agenda. Each Committee meets periodically for an appropriate length of time based on the specific meeting agenda.

Pertinent materials related to agenda items are provided to committee members sufficiently in advance of the scheduled committee meeting to allow the members to prepare for discussion of the items at the meeting. Additional material may be included in the committee members' folders at the meeting, when appropriate.

Director Compensation

Directors may receive compensation as fixed by resolution of the Board of Directors, including annual fees for services as directors, and a fixed fee and expenses of attendance, if any, for attendance at each meeting of the Board. The compensation may be in the form of cash, stock of the Company, options to purchase stock of the Company, or a combination of the foregoing, as the Board in its discretion shall determine. Nothing in this section shall be construed to preclude a Director from serving the Company in any other capacity and receiving compensation therefor.

Director Orientation and Continuing Education

The Chairman, Chief Executive Officer, and the Corporate Secretary under the guidance and direction of the Nominating and Corporate Governance Committee shall conduct orientation sessions with new directors and meet with new directors prior to their first Board meeting and review NBT Bancorp's Corporate Governance Guidelines. These orientations include a review of the role of the Board of Directors, pertinent sections of regulatory guidelines on oversight of the Board, the Code of Business Conduct and Ethics, By-Laws of the Company and the Bank, and NBT's Insider Trading Policy. Also reviewed are the Company's annual report, Form 10-K, and most recent proxy statement. The head of the Company's Risk Management Division conducts a similar meeting with new members of the Risk Management Committee.

Annual Performance Evaluation of the Board of Directors

The Board will annually assess Board and Committee effectiveness. The Board's annual assessment will be based on the criteria established by the Nominating and Corporate Governance Committee and approved by the Board. Each of the Board's Committees shall conduct annual self-assessments as well. The ability of each individual director to contribute to the Board is assessed in connection with the nomination process.

The Nominating and Corporate Governance Committee on an annual basis shall review the Corporate Governance Guidelines, and the Committee shall make recommendations to the Board with respect to any amendments to the Guidelines.