

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

NBT BANCORP INC.

**COMMON STOCK
PAR VALUE \$.01 PER SHARE**

**OFFERED PURSUANT TO THE
NBT BANCORP INC. 2008 OMNIBUS INCENTIVE PLAN**

This prospectus covers the shares of common stock, par value \$.01 per share (the “common stock”), of NBT Bancorp Inc. (“NBT”) which are issuable under the NBT Bancorp Inc. 2008 Omnibus Incentive Plan (the “plan”). A total of three million two hundred fifty thousand (3,250,000) shares of common stock plus any shares of Common Stock available for grant (including shares which become available due to forfeitures of outstanding options or other awards) under the NBT Bancorp Inc. Non-Employee Directors Restricted and Deferred Stock Plan; the NBT Bancorp Inc. 1993 Stock Option Plan; the NBT Bancorp Inc. Non-Employee Director, Divisional Director and Subsidiary Director Stock Option Plan; the NBT Bancorp Inc. Performance Share Plan and the NBT Bancorp Inc. 2006 Non-Executive Restricted Stock Plan (collectively, the “Prior Plans”) to the extent that such shares would again be available for issuance under the terms of the applicable Prior Plan are reserved for issuance under the plan as of the date of this prospectus. See “General Information.”

No person has been authorized to give any information or to make any representations, other than those contained herein, in connection with the offer contained in this prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by NBT. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of NBT or in the plan since the date hereof, or that the information contained or incorporated by reference herein is correct as of any time subsequent to its date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 16th, 2008

AVAILABLE INFORMATION

NBT is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by NBT can be inspected and copied at the Public Reference Section of the Commission at its principal office at 100 F Street, N.E., Room 1580, Washington, DC 20549, (202) 551-8090 at prescribed rates. The Commission maintains a web site on the Internet at <http://www.sec.gov> that contains reports, registration statements, proxy statements and other information regarding registrants that file electronically with the Commission. The shares of common stock are traded on the NASDAQ Stock Market under the symbol "NBTB."

NBT has filed with the Commission a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of the securities offered hereby. This prospectus omits certain information set forth or incorporated by reference in the registration statement. NBT undertakes to provide without charge to each person to whom a copy of this prospectus is delivered, upon written or oral request of such person, a copy of any or all documents or parts thereof containing information incorporated herein by reference, other than the exhibits to such documents. Such requests should be directed to:

NBT Bancorp, Inc.
Att: Michael J. Chewens, Chief Financial Officer
52 South Broad Street
Norwich, NY 13815

Additional copies of this prospectus also may be obtained upon request at such address or telephone number.

GENERAL INFORMATION

This prospectus covers the shares of common stock issuable by NBT under the plan in connection with the grant of awards under the plan. A total of three million two hundred fifty thousand (3,250,000) shares of common stock plus any shares of Common Stock available for grant (including shares which become available due to forfeitures of outstanding options or other awards) under the Prior Plans to the extent that such shares would again be available for issuance under the terms of the applicable Prior Plan are reserved for issuance under the plan as of the date of this prospectus. Such shares of common stock may be authorized but unissued shares of common stock or, to the extent permitted by applicable law, issued shares that have been reacquired by NBT.

Awards issued under the plan will be evidenced by an award agreement, specifying the terms and conditions of the award.

The plan was adopted by the Board of Directors of NBT (the "Board") on April 15, 2008 and became effective on May 6, 2008, the date the plan was approved by the stockholders of NBT. The plan will expire on the earliest of (1) the date as of which the Board, in its sole discretion, determines that the plan shall terminate, (2) following certain corporate transactions such as a merger or a sale of NBT's assets if the plan is not assumed by the surviving entity or (3) ten years after the effective date of the plan. The Board may, at any time, amend or discontinue the plan, provided that such termination shall not impair any rights or obligations of participating employees.

Holders of awards under the plan ("holders") who are affiliates of NBT may sell the shares of common stock acquired under this prospectus only pursuant to a registration statement and prospectus (other than this prospectus and its related registration statement) or pursuant to an available exemption from the registration requirements of the Securities Act. An "affiliate" is a person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, NBT. Holders who are not affiliates of NBT may sell shares of common stock acquired under this prospectus without regard to these restrictions.

In addition, holders who are officers or directors of NBT or beneficial owners of more than 10% of the shares of NBT common stock are advised to consult their counsel as to the applicability of Section 16 of the Exchange Act to their transactions under the plan. Section 16 requires persons subject to its provisions to file reports with the Commission of their transactions in NBT's equity securities. Moreover, persons subject to Section 16 may be required to turn over to NBT any profits realized upon a purchase and sale of NBT's equity securities within a period of less than six months.

The summary herein of the plan does not purport to be complete, and reference is made to the plan for a full and complete statement of its terms and provisions. Each holder should refer to the plan and his or her award agreement, if any, for information concerning the specific terms and conditions of his or her option or other award. Additional information regarding the plan and its administrators is available upon request to:

NBT Bancorp, Inc.
Att: Michael J. Chewens, Chief Financial Officer
52 South Broad Street
Norwich, NY 13815

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**SUMMARY DESCRIPTION OF THE
NBT BANCORP INC.
2008 OMNIBUS INCENTIVE PLAN
May 6, 2008**

The questions and answers set forth below have been prepared to provide you with a brief description of the plan in an easy-to-read format. The summary does not describe all of the terms of the plan. For a detailed description of the terms of the plan, please refer to the plan. This summary description constitutes part of a prospectus covering securities that have been registered under the Securities Act.

QUESTIONS AND ANSWERS ABOUT THE PLAN

Purpose

QUESTION: What is the purpose of the plan?

ANSWER: The purpose of the plan is to give you and other eligible employees, members of the Board of Directors, officers, key employees, and other persons of NBT and its Affiliates awards that are linked to the performance of NBT's common stock. These awards include:

- stock options;
- stock appreciation rights;
- restricted stock;
- stock units;
- dividend equivalent rights;
- unrestricted stock awards;
- performance shares;
- performance awards;
- annual incentive awards;
- cash.

Any award that you receive is intended to give you or increase your direct proprietary interest in the operations and future success of NBT, so that you will be motivated to expend maximum effort to improve the business results and earnings of NBT. When any of the awards described above are made subject to performance criteria, they may be referred to as annual incentive awards or performance awards based on the period specified for completing the performance goals.

QUESTION: What is an option?

ANSWER: An option is a right to buy NBT's common stock for a fixed price during a fixed period of time. The terms and conditions of an option are specified in an underlying

agreement. Options may be “incentive stock options” or “non-qualified stock options,” the tax consequences of which are different to you and NBT. See “*United States Federal Income Tax Consequences to Optionees and Holders*” below.

QUESTION: What is a stock appreciation right?

ANSWER: A stock appreciation right (or “SAR”) is an award that gives you the right to benefit from appreciation in the value of shares of common stock over a base price established in the award. The terms and conditions of a SAR are specified in an underlying agreement. If and when payable, the appreciation may be paid in cash, shares of common stock or such other form or combination of forms of payout, at times and upon conditions as may be set forth in the award agreement.

QUESTION: What is restricted stock?

ANSWER: Restricted stock consists of shares of common stock subject to the terms and restrictions set forth in the award agreement. To receive a restricted stock award, you may be required to pay all or part of the fair market value of the shares, but payment generally is not required. In addition, the shares may be subject to forfeiture unless you satisfy certain conditions. In that case, when you satisfy the conditions, you become vested in the shares and have ownership of the shares. At any particular date, you may be partially vested, fully vested or not vested at all.

QUESTION: What is a stock unit?

ANSWER: A restricted stock unit (or “stock unit”) is a right that represents the equivalent of a share of NBT’s common stock. A stock unit is similar to restricted stock in that NBT may establish terms and conditions in an underlying award agreement that must be satisfied before you can receive the ownership benefit of the stock unit. That ownership benefit is a payment in the form of shares of common stock or cash, as described in the award agreement.

QUESTION: What is a dividend equivalent right?

ANSWER: A dividend equivalent right is the right to receive amounts based on cash dividends that would have been paid on the shares of common stock as if the shares of common stock were owned by you. The terms and conditions of dividend equivalent rights are specified in the award agreement.

QUESTION: What is unrestricted stock award?

ANSWER: Unrestricted stock awards consists of shares of common stock granted under the plan free from restrictions other than restrictions imposed by the securities laws.

QUESTION: What are performance shares?

ANSWER: Performance shares are awards of common stock, the value for which at the time the common stock is payable is determined by the extent to which the applicable performance criteria have been met.

QUESTION: What are performance awards?

ANSWER: Performance units are similar to performance shares except that the award is based upon cash value instead of shares of common stock.

QUESTION: Who is eligible to receive an award under the plan?

ANSWER: The Board or a committee of the Board administers the plan, and either may choose who is to receive an award under the plan. The plan provides that awards may be made to any (1) service provider of NBT or an Affiliate, including any employee, officer or director (2) any other individual whose participation in the plan is determined to be in the best interests of NBT by the Board.

For purposes of the plan, the term “Affiliate” means other related entities, controlled by, controlling or under common control with NBT. The term includes a subsidiary. A subsidiary is a subsidiary corporation of NBT that is 50% or more owned by NBT, either directly or indirectly.

Administration

QUESTION: Who currently administers the plan?

ANSWER: The Board has delegated its authority to administer the plan to the Committee of the Board (the “Committee”). Members of the Committee are appointed by the Board. Even though the Board has delegated administrative authority to the Committee, the Board may act directly to administer the plan.

QUESTION: What are the powers of NBT’s Board and the Committee with regard to the plan?

ANSWER: NBT’s Board, or the Committee as its delegate, has the authority to take all actions and make all determinations that it deems to be necessary or appropriate under the plan, including the grant of awards consistent with the terms of the plan. Subject to the express provisions of the plan, the Board, or the Committee as its delegate, has the authority to interpret the plan, to prescribe, amend and rescind rules relating to it, and to make all other determinations necessary or advisable in administering the plan, all of which determinations will be final and binding upon all persons.

Shares Subject to the Plan

QUESTION: How many shares of common stock are issuable under the plan?

ANSWER: The number of shares of common stock issuable under the plan is three million two hundred fifty thousand (3,250,000) plus any shares of Common Stock available for grant (including shares which become available due to forfeitures of outstanding options or other awards) under the Prior Plans to the extent that such shares would again be available for issuance under the terms of the applicable Prior Plan.

The plan has a number of additional limitations on the shares reserved for issuance or amount of awards that may be granted. No participant may be granted options or SARs for more than 812,500 shares per calendar year. No participant may be granted an award other than options or SARs for more than 812,500 shares per calendar year. A maximum amount of \$2,000,000 in any calendar year or \$5,000,000 in respect of a performance period greater than one year may be earned as a cash award by any participant.

The foregoing limitations on the number of shares of common stock reserved for issuance under the plan, including the individual limitations on awards, are subject to adjustment as provided in the plan for stock dividends, stock splits and other similar events.

QUESTION: Will certificates be issued to optionees or holders for shares of common stock issued pursuant to the plan?

ANSWER: Optionees or holders who are issued shares of common stock pursuant to awards granted under the plan may receive stock certificates representing such shares of common stock once the shares are free from restrictions. Alternatively, NBT may use the “book entry” method for recording common stock issuances instead of issuing stock certificates under the plan.

Awards of Options Under the Plan

QUESTION: How are options granted under the plan?

ANSWER: Each optionee will be granted an option to purchase shares of common stock on the terms and conditions as the Committee may determine. Grants of options to an optionee will be evidenced by an award agreement to be executed or acknowledged by the optionee.

QUESTION: Under what circumstances will my options terminate?

ANSWER: Unless provided otherwise by your award agreement, your options will terminate on the earlier of (1) the tenth (10th) anniversary of the date of the grant of your options or (2) the date specified in the award agreement. Your options also will terminate in connection with any acquisition of NBT by merger, consolidation or sale of all or substantially all of its assets, unless provision is made for the assumption of outstanding options or substitution of equivalent options of the acquiring company. See “*Change in Capitalization, Mergers and Corporate Transactions*” below.

QUESTION: When is my option exercisable?

ANSWER: You may exercise an option at such times as are determined by the Committee at the time your option is granted. In addition, except as described below, once an option becomes exercisable, it will be exercisable, in whole or in part, at any time, as provided in your award agreement, prior to the earlier of (1) the expiration of the option within a ten (10) year period from the date of grant or (2) the option’s termination. Upon the termination of your employment or other relationship with NBT or its Affiliate (including by reason of your death or permanent and total disability), any options granted to you pursuant to the plan will terminate as provided in your award agreement or the plan. Unless otherwise provided in your award agreement, upon your termination of service due to death or disability, your option will continue to be exercisable for one year following your termination. The Committee will determine whether a leave of absence or leave on military or government service constitutes a termination of employment or other relationship under the plan. The Committee’s determination will be final and conclusive.

QUESTION: Am I entitled to exercise any of the ownership rights for the shares of common stock prior to exercising my option?

ANSWER: No. You will have no dividend, voting or other stockholder rights with respect to any shares of common stock issuable pursuant to your options until after you exercise an option, in whole or in part, and receive a stock certificate or a “book entry” is made for such shares of common stock.

QUESTION: How do I exercise my option?

ANSWER: You may exercise the vested portion of your option, in whole or in part, by delivering on any business day a notice to NBT on the form and in the manner specified by NBT. The notice must specify the number of shares of common stock for which the option is being exercised and, to the extent required by your award agreement, be accompanied by payment in full of the applicable exercise price and an amount equal to the tax required to be withheld in connection with the option exercise.

QUESTION: What are the permissible methods of payment of the aggregate exercise price of my option?

ANSWER: The permissible methods of payment are: (1) cash or cash equivalents; (2) if your award agreement provides, tender of shares of common stock having, on the date of exercise, a fair market value equal to the aggregate exercise price; or (3) by a combination of methods (1) and (2).

In addition, if your award agreement provides, you may make payment of the option price by having the certificates for the shares of common stock for which your option is being exercised delivered to a licensed broker acceptable to the Committee. This method of payment is known as a “cashless exercise.” The notice required for a cashless exercise should provide that once the share certificates are delivered to the licensed broker the broker shall deliver to NBT cash or a check payable and acceptable to NBT equal to the sum of (1) the option price for the shares of common stock purchased pursuant to the exercise of your option and (2) any federal or other taxes which NBT may in its judgment be required to withhold with respect to the exercise of your options.

The Committee may also include other methods of payment in individual award agreements, as long as the methods are permitted by law.

QUESTION: When and how is the exercise price of an option determined?

ANSWER: The exercise price per share is determined by the Committee at the time of each grant. The exercise price is generally the fair market value of the shares of common stock on the date of the grant, subject to adjustment in the event of certain changes in NBT’s capitalization or in the event of a reorganization of NBT.

QUESTION: How is fair market value determined under the plan?

ANSWER: For so long as the common stock remains listed on an established national or regional stock exchange, is admitted to quotation on The NASDAQ Stock Market, Inc. or is publicly traded on an established securities market, the fair market value of the common stock will be the closing price of the common stock on such exchange or in such market on the option grant date. If there is no closing price reported on the

option grant date, the fair market value will be deemed equal to the closing price as reported on the next preceding date on which sales of the common stock were reported.

QUESTION: Who will issue the shares of common stock upon exercise of the option?

ANSWER: The shares of common stock will be issued directly by NBT's transfer agent and registrar, Holly Craver, upon the written instruction of NBT.

QUESTION: Are there any restrictions on the issuance of shares of common stock by NBT upon exercise of my option?

ANSWER: NBT is not required to sell or issue any shares of common stock under any option if the sale or issuance would constitute a violation by you or NBT of any provision of any law or regulation of any governmental authority, including, without limitation, any federal or state securities laws or regulations.

QUESTION: May I assign or transfer my rights to purchase shares of common stock under an option awarded under the plan?

ANSWER: You may not transfer your options under the plan except by will or the laws of descent and distribution, except that the Committee may authorize in an award agreement a transfer of non-qualified stock options without consideration to members of your immediate family or certain trusts or partnerships for the benefit of you or your immediate family. You should consult your award agreement for the specific terms regarding your award's transferability. During your lifetime, only you (or your guardian or legal representative in the case of your incapacity or incompetency) may exercise your options, except that options transferred to permitted transferees may be exercised by them. If your options are transferred to a permitted transferee, the permitted transferee would continue to be subject to the terms and restrictions set forth in your award agreement.

Awards of Stock Appreciation Rights

QUESTION: How do I receive an award of stock appreciation rights under the plan?

ANSWER: If you are awarded stock appreciation rights, you will be provided with an award agreement representing the stock appreciation rights. The award agreement will specify the terms and conditions that apply to the stock appreciation rights.

QUESTION: What are the terms and conditions that will apply to stock appreciation rights?

ANSWER: Stock appreciation rights will be subject to the terms and conditions specified in the award agreement.

QUESTION: May I assign my rights to stock appreciation rights?

ANSWER: Stock appreciation rights may not be sold, transferred, pledged, assigned, hypothecated or otherwise alienated, other than by will or the laws of descent and distribution, except that the Committee may authorize in an award agreement a transfer of stock appreciation rights without consideration to members of your immediate family or certain trusts or partnerships for the benefit of you or your immediate family.

Awards of Restricted Stock

QUESTION: How do I receive a grant of restricted stock under the plan?

ANSWER: Each individual who is designated to receive a grant of restricted stock will be provided with an award agreement stating the number of shares of common stock covered by the award and the terms, purchase price, conditions and restrictions, if any, that apply to the award.

QUESTION: Am I entitled to exercise any of the ownership rights for the restricted stock while they are subject to a restriction or a similar condition?

ANSWER: Yes. Upon your execution of the award agreement and payment of the purchase price, if any, you will have dividend and voting rights, subject to the terms and conditions of your award agreement, with respect to the restricted stock granted to you under the plan. Dividends paid on restricted stock to employees will generally be considered compensation income subject to all applicable taxes. To the extent applicable, NBT will deliver to you, by mail or otherwise, all notices of meetings, proxy statements, proxies and other materials distributed to NBT's stockholders. There is no charge for notices, proxies and other materials sent to you in connection with your restricted stock.

QUESTION: When and how is the purchase price of restricted stock determined?

ANSWER: The Committee determines the purchase price of restricted stock at the time of grant. There may be no purchase price (as in the case where, for technical reasons, the award agreement states the purchase price as par value, but treats the price as already paid by past services) or an amount higher than par value, as determined by the Committee. If there is a purchase price, the award agreement will state the acceptable methods of payment.

QUESTION: What are the terms, conditions and restrictions that will apply to restricted stock?

ANSWER: Restricted stock will be subject to the terms, conditions and restrictions described in the award agreement at the time or for the period set forth in the award agreement. Generally, restricted stock may not be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of as one of its restrictions for some time. In addition, the Committee may, in its sole discretion, prescribe other terms, conditions and restrictions (such as, but not limited to, performance targets and continued employment) that will apply. The Committee, in its sole discretion, may also prescribe conditions for the incremental lapse of any restrictions, and for the lapse or termination of such restrictions upon the occurrence of certain events.

QUESTION: Under what circumstances will I forfeit the restricted stock granted to me?

ANSWER: Unless your award agreement provides otherwise, you will forfeit the restricted stock if you cease to be employed by (or provide services to) NBT or an Affiliate before (1) the expiration of any restricted period, (2) the occurrence of an event that the Committee determines will result in the lapse of the terms, conditions and restrictions or (3) such other time as the Committee may determine. If you forfeit your restricted stock, you must immediately transfer to NBT the restricted stock certificates, if any, issued to

you. Your award agreement may authorize NBT to repurchase your forfeited restricted stock.

QUESTION: What happens upon the lapse of the terms, conditions and restrictions that apply to restricted stock awarded to me?

ANSWER: The restricted stock awarded to you will no longer be subject to forfeiture or repurchase by NBT upon the lapse of the terms, conditions and restrictions set forth in your award agreement. You will then receive a stock certificate or a “book entry” for a corresponding number of shares of common stock free of the terms, conditions and restrictions.

QUESTION: Will certificates be issued for restricted stock awarded under the plan?

ANSWER: Unless the Committee determines otherwise, restricted stock awarded under the plan will be held in the custody of NBT or such other entity as the Board shall designate as agent. Upon the expiration or the lapse of the terms, conditions and restrictions specified in your award agreement, NBT will instruct the agent to have the shares of common stock reissued in your name and have the certificates for the restricted stock delivered to you free of the restrictions and conditions.

Awards of Stock Units

QUESTION: How do I receive an award of stock units under the plan?

ANSWER: Each individual who is designated to receive an award of stock units will be provided with an award agreement representing the stock units. The award agreement will specify the terms and conditions that apply to the award of stock units.

QUESTION: Am I entitled to exercise any of the ownership rights for my stock units while they are subject to a restriction or a similar condition?

ANSWER: No. Unless your award agreement provides otherwise, you will have no dividend, voting or other stockholder rights with respect to your award of stock units while they are subject to a restriction or similar condition. The Committee may provide in an award agreement evidencing a grant of stock units that (1) the holder shall be entitled to receive, upon NBT’s payment of a cash dividend on its outstanding common stock, a cash payment for each stock unit equal to the per share dividend paid on the common stock and (2) that such cash payment will be deemed reinvested in additional stock units at a price per unit equal to the fair market value of the common stock on the dividend payment date.

QUESTION: What are the terms and conditions that will apply to stock units?

ANSWER: Stock units will be subject to the terms, conditions and restrictions described in the award agreement at the time or for the period set forth in the award agreement. Stock units may not be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of. In addition, the Committee may, in its sole discretion, prescribe other terms, conditions and restrictions (such as, but not limited to, performance targets and continued employment) that will apply. The Committee, in its sole discretion, may also prescribe conditions for the incremental lapse of any restrictions, and for the lapse or termination of such restrictions upon the occurrence of certain events.

QUESTION: Under what circumstances will I forfeit the stock units granted to me?

ANSWER: Unless your award agreement provides otherwise, you will forfeit the stock units if you cease to be employed by (or provide services to) NBT or an Affiliate before (1) the expiration of any restricted period, (2) the occurrence of an event that the Committee determines will result in the lapse of the terms, conditions and restrictions or (3) such other time as the Committee may determine.

QUESTION: When will the shares subject to the stock units be delivered to me?

ANSWER: Shares subject to vested stock units will be delivered to you at the time designated in your award agreement.

Awards of Dividend Equivalent Rights

QUESTION: How do I receive an award of dividend equivalent rights under the plan?

ANSWER: Each individual who is designated to receive an award of dividend equivalent rights will be provided with an award agreement representing the dividend equivalent rights. The award agreement will specify the terms and conditions that apply to the award.

QUESTION: What are the terms and conditions that will apply to dividend equivalent rights?

ANSWER: Dividend equivalent rights will be subject to the terms and conditions specified in the award agreement. The award agreement may provide for the dividend equivalent rights to be paid in cash or deemed reinvested in additional shares of common stock. Dividend equivalent rights may be settled in cash and/or shares of common stock. In addition, if the dividend equivalent rights are awarded as a component of another award, the Committee, in its sole discretion, may subject the dividend equivalent rights to the same terms and conditions that apply to such award. Dividend equivalent rights may not be sold, transferred, assigned, pledged, disposed of or otherwise encumbered other than by will or the laws of descent and distribution.

QUESTION: Under what circumstances will I forfeit the dividend equivalent rights awarded to me?

ANSWER: Unless your award agreement provides otherwise, dividend equivalent rights that are a component of another award will be forfeited at the same time as such other award. In addition, unless your award agreement provides otherwise, you will forfeit the dividend equivalent rights if you cease to be employed by (or provide services to) NBT or an Affiliate.

Annual Incentive Awards, Performance Awards and Performance Shares

QUESTION: What are annual incentive and performance awards?

ANSWER: Annual incentive awards and performance awards are conditional rights granted by NBT to receive a cash payment, shares of common stock or other awards if specified performance criteria are attained. Annual incentive awards are awards made subject to attainment of performance goals over a performance period of up to one year and performance awards are awards made subject to attainment of performance goals over a performance period of more than one year.

QUESTION: What are performance shares?

Performance shares are similar to an award of restricted stock and stock units, respectively, but their vesting is subject to the attainment of specified performance goals. The terms and conditions of each award of performance shares and performance units, including the specific performance goals and the value and/or number of performance shares or performance units, are provided in the applicable award agreements and will be set by the Committee.

Awards of Unrestricted Stock

QUESTION: How do I receive a grant of unrestricted stock under the plan?

ANSWER: Each individual who is designated to receive a grant of unrestricted stock will be provided with an award agreement stating the number of shares of common stock covered by the award and the terms that apply to the award.

QUESTION: When and how is the purchase price of unrestricted stock determined?

ANSWER The Committee determines the purchase price of unrestricted stock at the time of grant. There may be no purchase price (as in the case where, for technical reasons, the award agreement states the purchase price as par value, but treats the price as already paid by past services) or an amount higher than par value, as determined by the Committee. If there is a purchase price, the award agreement will state the acceptable methods of payment.

Sale of Plan Shares

QUESTION: Are the shares of common stock issuable under the plan registered with the Commission?

ANSWER: NBT is subject to the informational requirements of the Exchange Act, and, in accordance therewith, files reports and other information with the Commission. All shares of common stock currently issuable under the plan have been registered with the Commission on a registration statement on a Form S-8.

QUESTION: Are there any restrictions on resale of shares of common stock issuable under the plan?

ANSWER: Generally, there are no restrictions on the resale or transfer of common shares issued pursuant to the exercise of options or SARs or an award of unrestricted shares or stock units under the plan by non-affiliates of NBT. Common shares issued pursuant to an award of restricted shares or stock units may be sold or transferred by non-affiliates once they are no longer subject to any restriction or similar condition. However, affiliates must resell their common shares in compliance with the volume limitations and other requirements of Rule 144 under the Securities Act.

In addition, holders who are officers or trustees of NBT or beneficial owners of more than 10% of the common shares are advised to consult their counsel as to the applicability of Section 16 of the Exchange Act to their transactions under the plan. Section 16 requires persons subject to its provisions to file reports with the Commission of their transactions in NBT's equity securities. Moreover, persons

subject to Section 16 may be required to turn over to NBT any profits realized upon a purchase and sale of NBT's equity securities within a period of less than six months.

Change in Capitalization, Mergers and Corporate Transactions

QUESTION: Will a change in capitalization of NBT affect my rights under the plan?

ANSWER: If the number of outstanding shares of common stock is increased or decreased or the shares of common stock are changed into or exchanged for a different number or kind of shares or other securities of NBT on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by NBT occurring after the plan has become effective, the number and kinds of shares for which grants of options and other awards may be made under the plan, including the individual award limits, will be adjusted proportionately and accordingly by NBT. In addition, the number and kind of shares for which awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the optionee or holder immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding options or SARs will not change the aggregate option price or SAR exercise price payable with respect to shares that are subject to the unexercised portion of an outstanding option or SAR, as applicable, but shall include a corresponding proportionate adjustment in the option price or SAR exercise price per share. The conversion of any convertible securities of NBT or the issuance of any shares of common stock under any NBT benefit plan will not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to NBT's shareholders of securities of any other entity or other assets (including an extraordinary dividend but excluding a non-extraordinary dividend) without receipt of consideration by NBT, NBT may, in such manner as it deems appropriate, adjust (1) the number and kind of shares subject to outstanding awards and/or (2) the exercise price of outstanding options and SARs to reflect such distribution.

QUESTION: What is a Corporate Transaction?

ANSWER: For the purpose of the plan, a Corporate Transaction means any of the following: (i) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A as in effect on the date hereof pursuant to the Exchange Act; provided that, without limitation, such a change in control shall be deemed to have occurred at such time as any person hereafter becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 30 percent or more of the combined voting power of NBT's voting securities; or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by NBT's shareholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; or (iii) there shall be consummated (x) any consolidation or merger of NBT in which NBT is not the continuing or surviving corporation or pursuant to which voting securities would be converted into cash, securities, or other property, other than a merger of NBT in which the holders of voting securities immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (y) any sale, lease, exchange, or other transfer (in one transaction or a series of

related transactions) of all, or substantially all of the assets of NBT, provided that any such consolidation, merger, sale, lease, exchange or other transfer consummated at the insistence of an appropriate banking regulatory agency shall not constitute a change in control of NBT; or (iv) approval by the shareholders of NBT of any plan or proposal for the liquidation or dissolution of NBT.

QUESTION: How will a Corporate Transaction affect my rights under the plan?

ANSWER: Upon the occurrence of the Corporate Transaction, all outstanding shares of restricted stock and stock units will be deemed to have vested and the shares underlying the stock units shall be delivered, immediately prior to the occurrence of such Corporate Transaction, and the Board will take either of the following two actions:

- Fifteen days prior to the scheduled consummation of the Corporate Transaction, all options and SARs outstanding under the plan shall become immediately exercisable and shall remain exercisable for a period of 15 days (the “exercise window”). With respect to NBT’s establishment of an exercise window, (1) any exercise of an option or SAR during such 15-day period will be conditioned upon the consummation of the event and shall be effective only immediately before the consummation of the event and (2) upon consummation of the Corporate Transaction, the plan and all outstanding but unexercised options and SARs shall terminate. The Board will send written notice of an event that will result in such a termination to all individuals who hold options and SARs not later than the time at which NBT gives notice thereof to its shareholders; or
- The Board may elect, in its sole discretion, to cancel any outstanding awards of options, restricted stock, stock units or SARs and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith), in the case of restricted stock and stock units, equal to the formula or fixed price per share paid to holders of shares of common stock and, in the case of options or SARs, equal to the product of the number of shares of common stock subject to the option or SAR (the “award shares”) multiplied by the amount, if any, by which (1) the formula or fixed price per share paid to holders of shares of common stock pursuant to such transaction exceeds (2) the option price or SAR exercise price applicable to such award shares.

The Board will determine the effect of a Corporate Transaction upon awards other than options, SARs, stock units and restricted stock, and the effect will be set forth in the appropriate award agreement. The Committee may provide in the award agreements at the time of award, or any time thereafter with the consent of the holder or optionee, for different provisions to apply to an award in place of those described above.

QUESTION: How will a merger, consolidation or reorganization which does not constitute a Corporate Transaction affect my rights under the plan?

ANSWER: If NBT is the surviving entity in any merger, consolidation or reorganization of NBT with one or more other entities and which does not constitute a Corporate Transaction, any option, SAR or stock unit awarded pursuant to the plan will pertain to and apply to the securities to which a holder of the number of shares of common stock subject to such option, SAR or stock unit would have been entitled immediately following such

merger, consolidation or reorganization, with a corresponding proportionate adjustment of the option price or SAR exercise price per share so that the aggregate option price or SAR exercise price thereafter shall be the same as the aggregate option price or SAR exercise price of the shares remaining subject to the option or SAR immediately prior to such merger, consolidation or reorganization. Subject to any contrary language in an award agreement evidencing an award, any restrictions applicable to such award shall apply as well to any replacement shares received by the optionee or holder as a result of the merger, consolidation or reorganization.

Suspension, Modification or Termination of Participation in the Plan

QUESTION: Under what circumstances will the plan terminate?

ANSWER: The Board may terminate or suspend the plan at any time and for any reason or for no reason, except that such termination may not impair any rights of an optionee or holder. The plan may also terminate in connection with certain changes in control of NBT, see *"How will a Corporate Transaction affect my rights under the plan?"* above and will terminate at the latest on April 15, 2018.

QUESTION: May the plan be amended without my consent?

ANSWER: The Board may amend the plan in any respect, at any time, but no such action may adversely affect the rights of a holder of an outstanding award without such holder's written consent. Stockholder approval also may be required for certain plan amendments.

QUESTION: May an award be amended without my consent?

ANSWER: The Board or the Committee may amend, modify, or supplement the terms of any outstanding award. If such amendment to an outstanding award would impair the optionee's or holder's rights under the award, the optionee's or holder's consent is required except to the extent such amendment is required in order to comply with Section 409A of the Code.

QUESTION: May NBT adopt incentive compensation arrangements in addition to the plan?

ANSWER: Yes.

QUESTION: What are "parachute payments" and are there special provisions of the plan that address the excise taxes that may be imposed on parachute payments?

ANSWER: Certain payments made to employees and other service providers in connection with a change of control of NBT may constitute "parachute payments" subject to tax penalties imposed on both NBT and the recipient. Although the parachute rules are complex and contain many exceptions and special rules, in general when the value of parachute payments equals or exceeds three times the employee's "base amount," the employee is subject to a 20% nondeductible excise tax on the excess over the base amount and NBT is denied a tax deduction for the payments. The base amount is generally defined as the employee's average compensation for the five calendar years prior to the date of the change of control. Some common examples of parachute payments are severance payments and change of control bonuses. The value of accelerated vesting of restricted stock, options or other awards in connection with a change of control of NBT can also

constitute a parachute payment. Some companies structure compensation arrangements with a “safe harbor cap” which limits the amount of potential parachute payments to no more than 299% of the base amount. The plan uses a modified form of the safe harbor cap, providing that a cutback will occur only if the cutback results in larger after-tax payments to the recipient.

United States Federal Income Tax Consequences to Optionees and Holders

The following portion of this summary description, which relates to federal income tax consequences, is intended to summarize the general principles of current federal income tax law applicable to the grant of awards under the plan. While it is believed that the following statements accurately summarize existing provisions of the Internal Revenue Code of 1986, as amended (the “Code”) and its legislative history and regulations, and the applicable administrative and judicial interpretations, these statements are only summaries, and the rules in question are quite detailed and complicated. Moreover, legislative, administrative, regulatory or judicial changes or interpretations may occur that would modify such statements. Individual financial situations may vary, and international, state and local tax consequences may be significant. Therefore, you should consult your own tax advisors concerning the tax consequences of acquiring shares of common stock under the plan and the disposition of any shares of common stock acquired under the plan.

QUESTION: What are the federal income tax consequences of a non-qualified stock option?

ANSWER: You will not realize any taxable income at the time you are granted a non-qualified stock option under the plan, and NBT will not be entitled to a tax deduction at the time of grant.

When you exercise a non-qualified stock option you will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the shares of common stock at the time of exercise. If you are an employee or former employee, the ordinary income amount is subject to withholding for taxes. In general, your basis in the shares of common stock you acquire by exercising a non-qualified stock option is equal to the fair market value of the shares at the time of exercise. If NBT complies with applicable reporting requirements, it will be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income on exercise (subject to certain limitations).

When you subsequently sell or exchange shares of common stock acquired by exercising a non-qualified stock option, you will have a taxable gain or loss, measured by the difference between the sale proceeds and the tax basis of the shares of common stock.

QUESTION: What are the federal income tax consequences of tendering shares of common stock in payment of the exercise price for a non-qualified stock option?

ANSWER: If you tender shares of common stock in payment of part or all of the exercise price of a non-qualified stock option, there are two transactions with potential tax consequences. The first such transaction is the transfer to NBT of the old shares of common stock. For this transaction, you will not recognize any gain or loss on the surrendered shares of common stock, regardless of whether the shares of common stock were acquired

pursuant to the exercise of an incentive stock option. Instead, you will be treated as receiving the same number of shares of common stock pursuant to the exercise of the option in a nontaxable exchange. The new shares that you receive in this tax-free exchange retain their original tax basis and holding period, and if they were shares originally acquired by exercising an incentive stock option, the new shares received in exchange retain the incentive stock option shares status.

The second transaction is the exercise of the non-qualified stock option. For this transaction, with one exception, the tax effect is just as in the previous Question and Answer where the exercise price is paid in cash. Just as before, the difference between the aggregate exercise price and the aggregate fair market value of the shares of common stock received pursuant to the exercise of the option will be taxed as ordinary income. However, only the additional shares received in excess of the number surrendered to pay the exercise price have a basis equal to the fair market value of the shares. As described above, the new shares received in exchange for the old shares retain their original basis.

These rules allow you to finance the exercise of your non-qualified stock option by using shares of common stock that you already own, without paying current tax on any unrealized appreciation in those old shares.

QUESTION: What are the federal income tax consequences of transferring a non-qualified stock option to a family member?

ANSWER: If you transfer a non-qualified stock option to a family member by gift (your award agreement will state whether you may make such a transfer), you will realize taxable income at the time the option is exercised by the family member. You will be subject to withholding of income and employment taxes at that time. The family member's tax basis in the shares will be the fair market value of the shares on the date the option is exercised. The transfer of vested non-qualified options will be treated as a completed gift for gift and estate tax purposes. Once the gift is completed, neither the transferred options nor the shares acquired on exercise of the transferred options will be includible in your estate for estate tax purposes.

QUESTION: What are the federal income tax consequences of a transfer of a non-qualified stock option incident to a divorce?

ANSWER: In the event a grantee transfers a non-qualified stock option to his or her ex-spouse incident to the grantee's divorce, neither the grantee nor the ex-spouse will recognize any taxable income at the time of the transfer. In general, a transfer is made "incident to divorce" if the transfer occurs within one year after the marriage ends or if it is related to the end of the marriage (for example, if the transfer is made pursuant to a divorce order or settlement agreement). Upon the subsequent exercise of such option by the ex-spouse, the ex-spouse will recognize taxable income in an amount equal to the difference between the exercise price and the fair market value of the common shares at the time of exercise. Any distribution to the ex-spouse as a result of the exercise of the option will be subject to employment and income tax withholding at this time.

QUESTION: What are the federal income tax consequences of an incentive stock option?

ANSWER: You will not realize any taxable income at the time you are granted an incentive stock option under the plan, and NBT will not be entitled to a tax deduction at the time of

grant. If you are an employee of NBT or a subsidiary from the date an option is granted through a date within three months before the date of exercise of the option, the option remains eligible for favorable tax treatment. The three-month period is extended to one year if your employment is terminated as a result of disability and is waived if your employment is terminated as a result of death. In these circumstances, and except if the alternative minimum tax, or AMT, applies to you, you will not recognize income at the time an incentive stock option is exercised.

When you subsequently sell or exchange shares of common stock acquired by exercising an incentive stock option, the tax treatment at that time will depend on how long you have held the shares of common stock. This treatment is the same whether or not you were subject to AMT at the time you exercised the incentive stock option to acquire the shares of common stock. If you hold the shares of common stock for at least two years after the date of grant and for one year after the date of exercise, you will recognize long-term capital gain upon the subsequent disposition of the shares of common stock. If the one-year and two-year holding periods are not met, you have what is called a “disqualifying disposition,” and you will recognize ordinary income at the time of the disposition of the shares of common stock in an amount up to the excess of the fair market value of the shares of common stock at the time the option was exercised over its exercise price. The balance of the realized gain, if any, will be capital gain.

Please keep in mind that if you make a cashless exercise of your incentive stock option, you will have a disqualifying disposition of the shares that are sold under the cashless exercise program. As a result, as to these shares, you will be taxed in the year of exercise at ordinary-income rates. In other words, a cashless exercise always involves a disqualifying disposition of shares acquired under an incentive stock option.

NBT will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except to the extent you recognize ordinary income.

QUESTION: What are the federal income tax consequences of tendering shares of common stock in payment of the exercise price for shares of common stock underlying an incentive stock option?

ANSWER: With the exception described in the next paragraph, if you exercise an incentive stock option by tendering shares of common stock with a fair market value equal to part or all of the exercise price, the exchange will be treated as a tax-free exchange in the same manner as described in the context of non-qualified stock options.

The exception noted applies where the shares of common stock used to pay the exercise price were acquired by exercising an incentive stock option, if when you surrender the shares you have not held them for at least two years from the date of grant and one year from the date of exercise (these shares shall be referred to as “immature” shares). In this situation, the surrender of the old shares will be treated as a disqualifying disposition of the old shares. Of all the immature common stock that you own and acquired by exercising an incentive stock option, the old shares with the lowest basis will be deemed to be disposed of first in the surrender. The replacement shares that you receive for the old shares will have a tax basis equal to the fair market value of the shares on the date of surrender of the old shares, and these replacement shares retain the holding period of the old shares for purposes of determining the capital gains treatment when the replacement shares subsequently are sold. When the surrendered

shares involve a disqualifying disposition, the shares received in excess of the number surrendered have the same treatment as an ordinary exercise of an incentive stock option.

QUESTION: What is the Alternative Minimum Tax or AMT, and how is it applied at the time of exercise of an incentive stock option?

ANSWER: Alternative minimum tax is paid when your total tax liability under this calculation method exceeds your regular federal income tax liability. The AMT is the excess tax to be paid in addition to your level of regular income tax. For AMT purposes, your total tax liability is calculated based on alternative minimum taxable income, which is taxable income for federal income tax purposes, modified by certain “adjustments” and increased by tax “preference” items.

Under an incentive stock option, the difference between the fair market value of the shares of common stock on the date of exercise and the exercise price of the shares is called the “spread.” For the year of exercise, the spread under an incentive stock option is classified as alternative minimum taxable income (even though it is not ordinary taxable income for purposes of regular federal income tax). As a result of this, and perhaps other increases in your taxable compensation under the alternative minimum tax calculation method, you may have a liability to pay alternative minimum tax in a year in which you exercise an incentive stock option. A disqualifying disposition of the shares of common stock acquired under an incentive stock option, if it occurs *in the same year as the option is exercised*, cancels the alternative minimum taxable income generated upon exercise of the incentive stock option.

The alternative minimum tax calculation comes into play again when the shares giving rise to AMT in the year of exercise are ultimately sold. For this purpose, the taxpayer’s basis in the shares is their fair market value at the time the incentive stock option is exercised.

A taxpayer may be able to recover AMT taxes paid in the current year as a credit against the payment of future regular federal income tax payments. The credit applies in any future year that the taxpayer’s regular income tax liability is greater than what would be the person’s total tax liability under the alternative minimum tax calculation method for that year. The taxpayer’s taxes would be reduced by the lesser of (1) the amount of the credit or (2) the amount that reduces the person’s tax liability to the total liability calculated under the alternative minimum tax calculation method.

QUESTION: What are the federal income tax consequences of receiving an award of stock appreciation rights under the plan?

ANSWER: There are no immediate tax consequences of receiving an award of SARs under the plan. You will be required to recognize ordinary income in the amount distributed to you pursuant to the award. If NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income on exercise (subject to certain limitations).

QUESTION: What are the federal income tax consequences of receiving an award of restricted stock under the plan?

ANSWER: There are no automatic immediate tax consequences of receiving restricted stock under the plan with respect to shares of common stock under the award that are nontransferable and are subject to a vesting contingency. Under these circumstances, the general rule provides that upon the expiration of the vesting or transferability restrictions you will be required to recognize ordinary income in an amount equal to the fair market value of the shares of common stock being released from these contingencies, reduced by the amount, if any, paid for such shares of common stock. Instead of adhering to the general rule, however, you may file a Section 83(b) election with the IRS within 30 days after the award date of the restricted stock. The election makes taxation immediate (for the year of the award), and in an amount equal to the fair market value of the shares of common stock on the date of the award, reduced by the amount, if any, paid for such shares of common stock. Dividends paid on restricted stock are taxed as compensation income subject to withholding taxes unless the grantee has made a timely Section 83(b) election.

If NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income (subject to certain limitations).

QUESTION: What are the federal income tax consequences of receiving stock units under the plan?

ANSWER: There are no immediate tax consequences of receiving an award of stock units under the plan. You will be required to recognize ordinary income in an amount equal to the fair market value of the shares of common stock or the value of the cash paid to you pursuant to the award, reduced by the amount, if any, paid for such shares of common stock. Payment of the applicable taxes on any stock units may be made by withholding from amounts otherwise due to you. In the case of stock units granted to employees or former employees, FICA and Medicare taxes are due at the time of vesting, even if vesting and payout of the stock units do not occur simultaneously.

If NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income (subject to certain limitations).

QUESTION: What are the federal income tax consequences of receiving an award of dividend equivalent rights under the plan?

ANSWER: You will be required to recognize ordinary income in the amount distributed to you pursuant to the award. If you are an employee, the ordinary income amount is subject to withholding for taxes.

If NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income (subject to certain limitations).

QUESTION: What are the federal income tax consequences of receiving an award of unrestricted stock under the plan?

ANSWER: If you receive unrestricted stock, you will be required to recognize ordinary income in an amount equal to the fair market value of the shares of common stock on the date of the award, reduced by the amount, if any, paid for such shares of common stock. If you are an employee, the ordinary income amount is subject to withholding for taxes. If

NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income (subject to certain limitations).

QUESTION: What are the federal income tax consequences of receiving an annual incentive or performance award under the plan?

ANSWER: You will be required to recognize ordinary income in the amount distributed to you pursuant to the annual incentive or performance award. If you are an employee, the ordinary income amount is subject to withholding for taxes.

If NBT complies with applicable reporting requirements, it will generally be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income (subject to certain limitations).

QUESTION: How will NBT withhold taxes when required to do so?

ANSWER: To the extent that you realize ordinary income in connection with a purchase or award of any shares of common stock or dividend equivalent rights under the plan or a sale or other transfer of any shares of common stock purchased under the plan, NBT may be required to withhold amounts needed to cover such taxes. Where withholding is required, the plan permits NBT to take the required withholding from any payments otherwise due and owing to you or from shares of common stock that would otherwise be issued to you under the plan. NBT may also establish rules allowing you to pay the required withholding by one or more of the following methods: (1) cash out-of-pocket or received in connection with a cashless exercise, (2) surrendering vested shares of common stock that you otherwise would receive in the transaction, or (3) surrendering shares of common stock you already own.

QUESTION: What effect does Section 409A of the Internal Revenue Code have on awards granted under the plan?

ANSWER: Section 409A of the Code provides that deferred compensation that is not structured to satisfy Code Section 409A may result in accelerated federal income taxation, a 20% penalty tax applied in addition to federal income tax otherwise owed and, potentially, interest for any underpayment of tax at the ordinary underpayment rate plus one percentage point. Stock options granted with an exercise price equal to the fair market value of the underlying common stock on the date of grant and SARs with a grant price equal to the fair market value of the underlying common stock on the date of grant are generally exempt from the application of Section 409A of the Code.

The plan provides that to the extent the Board determines that a grantee would be subject to the additional 20% tax imposed on certain deferred compensation arrangements pursuant to Section 409A, as a result of any provision of any award granted under the plan, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Board.

Other Information

QUESTION: Is the plan subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) or is it a qualified plan under Section 401(a) of the Internal Revenue Code?

ANSWER: No. The plan is not an employee benefit plan subject to the provisions of ERISA, and the provisions of Section 401(a) of the Internal Revenue Code are not applicable to the plan.

QUESTION: Does my participation in the plan give me any rights as an employee or Director?

ANSWER: Neither the plan nor any right to receive an award under the plan confers upon any individual any right to continued employment with NBT or a subsidiary, nor will an employee’s participation in the plan restrict or interfere in any way with the right of NBT or a subsidiary to terminate the employee’s employment at any time. In addition, your status as an optionee or holder will not confer upon you any rights as a director of NBT or a subsidiary.

QUESTION: Are there any expenses to optionees or holders in connection with their participation in the plan?

ANSWER: No brokerage commissions will be incurred in connection with the purchase of shares of common stock under the plan directly from NBT. There may be fees associated with using the cashless exercise method of option exercise. The plan administrator can provide more information regarding these fees. All other costs of administering the plan will be paid by NBT.

QUESTION: What are the nature and frequency of any reports made to plan participants as to the amount and status of their accounts?

ANSWER: Plan participants do not have accounts under the plan and, they, therefore, do not receive periodic reports regarding the status of their accounts.

QUESTION: How may participants obtain additional details about the plan?

ANSWER: If you would like additional information regarding the plan and its administration, you should contact:

NBT Bancorp, Inc.
Att: Michael J. Chewens, Chief Financial Officer
52 South Broad Street
Norwich, NY 13815

QUESTION: How can I obtain the information on NBT incorporated by reference into the registration statement related to this prospectus?

ANSWER: Upon written or oral request, NBT will provide participants without charge with a copy of any and all of the documents incorporated by reference in the registration statement (not including exhibits to the information incorporated by reference, unless such exhibits are specifically incorporated by reference into the information that the

registration statement incorporates) of which this summary description is a part, as well as all other documents required to be delivered to participants pursuant to Rule 428(b) of the Exchange Act. Documents incorporated by reference in the registration statement of which this summary description is a part are also incorporated herein by reference.

As indicated under "Available Information" above, copies of such information also may be obtained from the Public Reference Section of the Commission at its principal office at 100 F Street, N.E., Room 1580, Washington, DC 20549, (202) 551-8090 at prescribed rates or from the Commission's World Wide Web site on the Internet at <http://www.sec.gov>.

Requests for additional information should be directed to:

NBT Bancorp, Inc.
Att: Michael J. Chewens, Chief Financial Officer
52 South Broad Street
Norwich, NY 13815

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The foregoing is only a summary of some of the material provisions and operational features of the NBT Bancorp Inc. 2008 Omnibus Incentive Plan. Please refer to the plan for further information regarding the plan and your rights under the plan. To the extent that this description conflicts with any provision in the plan, such conflicting provision of the plan shall control.