

CHEMUNG FINANCIAL CORPORATION
CORPORATE GOVERNANCE GUIDELINES
Revised March 18, 2024

The Board of Directors of Chemung Financial Corporation (the “Company”), upon the recommendation of its Nominating and Governance Committee, has adopted these guidelines to promote the effective functioning of the Company’s Board of Directors and Board committees.

Responsibilities

The business of the Company is managed under the direction of its Board of Directors in accordance with the laws of New York State. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company. The directors are responsible to exercise their business judgment as they reasonably believe will further the long-range best interests of the Company, its shareholders and other stakeholders. The Board believes that the success of the Company depends on its financially sound performance to further its strategic objectives and its adherence to high standards of business ethics focusing on the letter and spirit of regulatory and legal mandates.

Board Structure

Board Membership. The size of the Board will be set by the Board on recommendation of the Nominating and Corporate Governance Committee, within the guidelines prescribed by the Bylaws of the Company. The number of directors should provide for appropriate experience and backgrounds among the independent directors, while also facilitating substantive discussions in which each director can participate meaningfully.

Non-management Directors. The majority of the members of the Board will meet the independence requirements of the NASDAQ Stock Market, Inc. and applicable law and regulations. The Board will also consider all other relevant facts and circumstances bearing on independence. In making its affirmative determination of whether non-management directors are independent, the Board will consider relevant facts and circumstances as appropriate in the judgment of the Board, and evaluate whether relationships exist with the Company that would materially impair the director’s exercise of independent judgment. In addition to applying this general standard, the Board will use more particular guidelines, also applying a three-year look-back period and considering indirect relationships through family members (defined to mean a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption).

Mandatory Retirement. The Company's Bylaws have established age 75 as the retirement age for directors. The Board believes that experience as a Company director is a valuable asset. Therefore, directors are not subject to term limits except as a result of reaching the Board's mandatory retirement age. In a rare case, for special circumstances, narrow exceptions to the retirement age may be recommended by the N&G committee.

Board Membership Selection. The Nominating and Governance Committee is responsible for identifying to the Board potential candidates for election at each annual meeting of shareholders and for election by the Board to fill vacancies. All members of the Board are invited to suggest candidates for consideration by the Nominating and Governance Committee. Shareholders may also suggest candidates for consideration by the Nominating and Governance Committee. The Nominating and Governance Committee is responsible for reviewing expiring terms of Board members and, after appropriate evaluation, making recommendations for re-election. When openings exist or are anticipated, the Nominating and Governance Committee will review potential candidates, considering the current composition of the Board, and the skills needed to supplement or complement the existing membership of the Board. The Nominating and Governance Committee and Board will consider evidence of leadership in a particular field, the experience of the candidate, his or her ability to exercise sound business judgment, character and personal qualities, and other evidence of ability to advance the interests of the Company.

Board Meetings

Agenda and Briefing Materials. An agenda for each Board meeting and briefing materials, to the extent practicable in light of the timing of matters that require Board attention, will be distributed to each director before each meeting. The President and/or Chief Executive Officer will normally determine the agenda for Board meetings. Any director may request the inclusion of particular items or topics on the agenda.

Meeting Attendance. It is expected that each director will maintain a high level of attendance at Board meetings and at meetings for each committee on which he or she sits. Attendance in person is preferred but attendance by teleconference is permitted, if necessary, under the circumstances. Directors are expected to review these materials before meetings. Directors are also strongly encouraged to attend the Company's annual meeting of shareholders.

Director Preparedness. Each director is expected to be prepared for Board and committee meetings, and should be prepared to participate meaningfully in the meeting.

Executive Sessions. The non-management directors will meet in executive session at least twice a year to comply with NASDAQ standards.

Confidentiality. The proceedings of the Board and its committees are confidential. Each director will maintain the confidentiality of bank and customer information received in connection with his or her service as a director.

Board Committees

Currently the standing committees of the Board are Executive, Audit and Risk Management, Nominating and Corporate Governance, and Compensation and Personnel. These committees shall consist entirely of non-management directors meeting the independence standards described earlier in these guidelines. The Audit Committee shall have at least one member qualifying by education or experience as a financial expert. The Board may appoint special committees or additional standing committees as may be deemed necessary or appropriate.

The Board, upon the advice of the Nominating and Governance Committee, will appoint the members of its committees. The Board will also appoint the chairs of the committees. Consideration will be given to rotating committee assignments periodically.

Each of the committees will have a written charter setting forth its responsibilities. Each committee will periodically review and approve the committee charter and report revisions to the Board.

Each of the Board committees will periodically conduct an evaluation of its performance and effectiveness and will consider whether any changes to the committees' charter are appropriate. The committees are encouraged to tailor the evaluation to the circumstances, without undue formality.

The chair of each Board committee will report periodically to the full Board on the activities of his or her committee. The committees shall have the opportunity for executive sessions as the members shall determine appropriate. Each committee will maintain minutes of meetings.

Other Directorships

Recognizing the substantial time commitment required of directors, unless otherwise approved by the Nominating and Governance Committee: (a) an employee director of Chemung Financial Corporation will serve on the board of no more than two other public companies and (b) a non-employee director will serve on the board of no more than three other public companies. Each director will serve on the boards of other public and private companies and not-for-profit entities only to the extent that, in the judgment of the Nominating and Governance Committee, such services do not detract from the director's ability to devote the necessary time and attention to Chemung Financial Corporation. The Nominating and Governance Committee will periodically review all directors' service on the boards of other public companies.

Change in Status. To avoid any potential for a conflict of interest, directors will not accept a seat on any additional public company board or any governmental position without first having the matter reviewed by the Nominating and Governance Committee.

CEO Performance Review

The non-management directors, in conjunction with the Board's Compensation and Personnel Committee, periodically will review the performance of the CEO in light of the Company's goals and objectives.

Succession Planning and Leadership Development

Periodically, the Board will review and approve succession plans for the CEO and other senior executives of the Company. Succession planning will address both succession in the ordinary course of retirement and contingency planning in case of unforeseen events. Periodically, the CEO shall advise the Board regarding leadership development for the Company.

Strategic Planning

The Board will take an active role in reviewing strategic planning of the Company and will exercise oversight over the implementation of strategic planning.

Board Resources

Non-management directors shall have access to senior management of the Company and other management employees, and to the Company's books and records. The Board expects that there will be regular opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other settings.

It is normally expected that information regarding the Company's business and affairs will be provided to the Board by the Chief Executive Officer, the Chief Operating Officer, the President, the Chief Financial Officer, the Senior Loan Officer, and other management officials, as well as by the Company's Auditor and independent auditor and other experts retained by the Company. However, the Board and its standing committees have the authority to retain, at the expense of the Company, such outside advisors including accountants, legal counsel or other experts, as may be determined to be appropriate in particular circumstances.

Code of Business Conduct and Ethics

The Company adopted a Code of Business Conduct and Ethics (“Code”) that describe standards for responsible behavior and is intended to serve as a guide for all business dealings. The Code is designed to deter wrong-doing and to promote honest and ethical conduct; full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with regulatory organizations; compliance with governmental laws, rules and regulations; and accountability for adherence to the Code. The Board believes that ethical business conduct and compliance with local, state and federal laws, rules and regulations are vital in maintaining the public’s trust and confidence. The Code applies to the directors of the Company, as well as to officers and employees. In the case of conflicts of interest, each director is expected to make appropriate disclosure to the CEO or the chair of the Nominating and Corporate Governance Committee and refrain from participation in the deliberations or voting on the particular matters giving rise to the conflict.

Periodic Self-Assessment of the Board

In addition to the committee self-assessment process, the Board will periodically conduct a self-evaluation of the Board’s process, procedures and general effectiveness. This self-evaluation should be tailored to the circumstances, without undue formality.

Re-evaluation of Corporate Governance Guidelines

The Board will review and approve revisions to these Guidelines from time to time based upon the recommendation of the Nominating and Governance Committee.

Revisions

- August 15, 2006 – Changes in executive management
- August 19, 2008 – “Personnel” added to Compensation Committee
Deleted “Board Leadership” paragraph
Change position of sentences in Board Committee section
- December 2011 – Wording changes
- September 2014 – Changes incorporating NASDAQ standards
Addition to the mandatory retirement age section
Minor wording changes/additions for best practice
- March 18, 2024 Change in retirement age
Addition of “Other Directorships”