

COMMUNITY BANK SYSTEM, INC.

Whistleblower Policy

Procedures for the Submission of Complaints or Concerns Regarding Financial Statement Disclosures, Accounting, Internal Accounting Controls, Auditing Matters or Violations Of the Company's Code of Ethics or Code of Conduct

Section 301 of the Sarbanes-Oxley Act requires the Audit Committee of the Board of Directors of Community Bank System, Inc. ("Company") to establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by employees of the Company and its subsidiaries, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters.

In accordance with Section 301, the Audit Committee has adopted the following procedures:

1. Any complaints or concerns received by the Company regarding financial statement disclosures, accounting matters, internal accounting controls or auditing matters shall be promptly forwarded to the Audit Committee.
2. Any employee of the Company or its subsidiaries may submit any complaints or concerns to the Audit Committee regarding questionable financial statement disclosures, accounting matters, internal accounting controls, auditing matters ("Accounting Matters") or violations of the Company's Code of Ethics for Senior Executive Officers, the CBSI Code of Ethics, or the CBNA Code of Conduct, on a confidential, anonymous basis if the employee so desires. If confidential or anonymous treatment is desired, such complaints or concerns shall be submitted directly to the Chair of the Audit Committee, or through the third party administered anonymous tip hotline known as "The Network". The Network can be accessed by telephone at 1-877-869-7197 or via the Internet at www.reportlineweb.com/CBNA. If an employee would like to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate. All submissions received by the Company shall be promptly reviewed and where applicable will be forwarded to the Chair of the Audit Committee.
3. Upon receipt of a complaint, the Company will determine if the complaint actually pertains to Accounting Matters. The Network tip line will, when applicable and possible, acknowledge the Audit Committee's receipt of the complaint to the sender. The Company may direct complaints which do not involve Accounting Matters to other appropriate Board Committees or employees of the Company and/or outside legal, accounting or other advisors as appropriate to review or

conduct an investigation for determining appropriate action. Following the receipt of any complaints related to Accounting Matters submitted hereunder, the Audit Committee will investigate each matter so reported and take corrective actions, as warranted in the judgment of the Audit Committee.

4. The Audit Committee may enlist employees of the Company and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding financial statement disclosures, accounting matters, internal accounting controls, auditing matters or violations of the Company's Code of Ethics for Senior Executive Officers, the CBSI Code of Ethics, or the CBNA Code of Conduct. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complaint, consistent with the need to conduct an adequate review.
5. The Company will not discharge, demote, suspend, threaten, or retaliate in any manner against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act.
6. The Audit Committee with the assistance of the Company shall retain as a part of its records a log of any such complaints, tracking their receipt, investigation and resolution of such matters. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.

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