



Canandaigua
National
Corporation

March 8, 2024

Dear Fellow Shareholder:

You are cordially invited to attend the 2024 Annual Meeting of Shareholders of Canandaigua National Corporation on **Wednesday, April 17, 2024**, at 1:00 p.m. As with last year's Annual Meeting, our Annual Meeting this year will be held virtually via live webcast on the website www.cesonlineservices.com/cnnd24_vm and in-person in the George W. Hamlin, IV Community Board Room on the second floor of the Main Office at 72 South Main Street, Canandaigua, NY.

PLEASE NOTE: To participate in the Annual Meeting virtually, you must pre-register at www.cesonlineservices.com/cnnd24_vm by 1:00 p.m. Eastern Daylight Time (EDT), **Tuesday, April 16, 2024**.

Shareholders will be asked to elect five Class 1 Directors for terms of three years in Proposal 1. Information about the director nominees can be found in the attached Proxy Statement.

Shareholders will also be asked to approve the Canandaigua National Corporation 2024 Omnibus Incentive Plan in Proposal 2. This Omnibus Incentive Plan is an appropriate compensation plan to ensure fair and equitable compensation programs that will enable the Corporation to attract, develop, and retain the best available officers in key leadership positions and ensure the Corporation's continued success. Incentive plans such as this are required to be approved by the Corporation's shareholders.

Shareholders will also be asked to authorize the individuals named as proxy to act in their discretion to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the Meeting, you are urged to read and carefully consider the enclosed Proxy Statement. You may vote by telephone, via the Internet, or mark, sign, date and return the enclosed form of proxy in the accompanying pre-addressed, postage-paid envelope. **Please save the top portion of your Proxy Card until the Annual Meeting has concluded, as this document contains your personal control number, and is required for the voting process and for attendance at the virtual meeting.** You may withdraw your proxy if you attend the Meeting and submit a vote at the Meeting in person or through the Meeting's online voting portal.

I urge you to vote for the election of all five nominees and for the approval of the Canandaigua National Corporation 2024 Omnibus Incentive Plan.

Frank H. Hamlin, III
President and CEO

enc.



Canandaigua
National
Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS*

- TIME** 1:00 p.m., on **Wednesday, April 17, 2024**
- PLACE** The Canandaigua National Bank and Trust Company
George W. Hamlin, IV Community Board Room
72 South Main Street
Canandaigua, NY 14424
- and
- Via a live webcast at www.cesonlineservices.com/cnnd24_vm
- ITEMS OF BUSINESS**
- (1) **To elect Frank H. Hamlin, III, George W. Hamlin, IV, Caroline C. Shipley, Sue S. Stewart, Richard J. Plympton as Class 1 Directors** for terms of three years and until their successors have been elected and qualified;
- (2) **To approve the Canandaigua National Corporation 2024 Omnibus Incentive Plan;** and
- (3) To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.
- RECORD DATE** Holders of the common stock of record at 5:00 p.m., on February 20, 2024, are entitled to vote at the Meeting.
- VOTING** It is important that your shares be represented and voted at the Meeting. You can vote your shares by proxy by using any of the following methods: (a) mark, sign, date, and promptly return the enclosed proxy card in the postage-paid envelope furnished for that purpose or (b) follow the instructions for voting via the Internet or by telephone which are set forth on the enclosed proxy form. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting of Shareholders. The instructions for revoking or replacing a proxy are set forth in the accompanying Proxy Statement. Any shareholder present at the Meeting may withdraw their proxy and vote in person on any matter brought before the Meeting, either via paper ballot if in person or, if attending the online Meeting, by completing an electronic ballot available during the Meeting.
- If the shareholder of record properly designates a proxy to vote at the Annual Meeting, a vote will be cast in accordance with those instructions. If a proxy is returned without instructions, it will be voted "FOR" the nominees for director in Proposal 1, "FOR" approval of the Canandaigua National Corporation 2024 Omnibus Incentive Plan, and as otherwise described in the Proxy Statement.

March 8, 2024

A handwritten signature in cursive script, appearing to read "Jennifer N. Weidner".

Jennifer N. Weidner, Esq.
Secretary

***Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 17, 2024. The Proxy Statement and Annual Report to Shareholders are available at www.cnbank.com.**

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Canandaigua
National
Corporation

PROXY STATEMENT

Annual Meeting of Shareholders to be held **Wednesday, April 17, 2024**

This Proxy Statement is furnished in connection with solicitation of proxies by the Board of Directors of Canandaigua National Corporation (the “Corporation”) for use at the Annual Meeting of Shareholders to be held on **Wednesday, April 17, 2024**, at 1:00 p.m., in the George W. Hamlin, IV Community Board Room at The Canandaigua National Bank and Trust Company, 72 South Main Street, Canandaigua, NY 14424, and via live webcast, at www.cesonlineservices.com/cnnd24_vm, and any adjournment thereof.

IMPORTANT: If you wish to attend the Meeting virtually, you must pre-register at www.cesonlineservices.com/cnnd24_vm no later than **1:00 p.m. EDT, Tuesday, April 16, 2024**, 24 hours prior to the start of the Meeting. **You will need your proxy card containing your 11-digit control number in order to complete the pre-registration.**

This Proxy Statement and the accompanying proxy are being mailed by first-class mail or being sent electronically at the request and consent of the shareholder, on or about March 8, 2024. All expenses incurred in connection with the solicitation of proxies will be borne by the Corporation.

SHAREHOLDERS ENTITLED TO VOTE AND REVOCATION OF PROXIES

Only shareholders of record as of the close of business on February 20, 2024, are entitled to notice of, and to vote at, the Annual Meeting. On that date, there were 1,853,693 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote. A quorum will consist of the holders of not less than a majority of the shares entitled to vote, either by proxy or by attendance at the virtual Meeting.

If your shares are registered in your name on the Corporation’s stock records, you are considered the shareholder of record with respect to those shares. As the shareholder of record, you have the right to vote your shares by proxy at the Annual Meeting, or by voting through the shareholders’ voting portal during the Annual Meeting (which will require that you pre-register for participation as described later in this Proxy Statement). The Corporation has sent its proxy materials directly to you, including a proxy card for you to use. If you hold shares of common stock through an account with a broker, bank, or other nominee rather than directly in your own name, then your broker, bank, or other nominee is considered the shareholder of record, and you are considered the beneficial owner of these shares. The Corporation has supplied copies of its proxy materials for its 2024 Annual Meeting to the broker, bank, or other nominee holding your shares of record, and they have the responsibility to send these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote your shares at the Annual Meeting. The broker, bank, or other nominee that is the shareholder of record for your shares is obligated to provide you with a voting instruction card for you to use for this purpose.

Any proxy may be revoked by the person giving it at any time prior to its exercise by giving written notice of revocation to Jennifer N. Weidner, Secretary, Canandaigua National Corporation, 72 South Main Street, Canandaigua, NY 14424, or prior to the vote at the Meeting. If you are the shareholder of record, you may revoke your proxy by submitting a proxy with a later date within the proxy voting period, by voting in person at the Meeting, or by submitting a vote during the Meeting via the online Meeting portal. If you are the beneficial owner of shares held by a nominee, please follow the instructions for revoking your voting instructions given to you by the nominee.

ATTENDANCE AT THE ANNUAL MEETING

Attendance at the Annual Meeting or any adjournment or postponement thereof will be limited to shareholders of the Company as of the close of business on the record date. You may attend the Annual Meeting in person at 72 South Main Street, Canandaigua, NY, or virtually using the website noted below. **In order to attend the virtual Meeting, you will need to pre-register by 1:00 p.m. EDT, Tuesday, April 16, 2024.** To pre-register for the virtual Meeting, please follow these instructions:

Registered Shareholders

Stockholders of record as of the Record Date may register to participate in the Annual Meeting remotely by visiting the website www.cesonlineservices.com/cnnd24_vm. Please have your proxy card containing your 11-digit control number available and follow the instructions to complete your registration request.

Beneficial Shareholders

Stockholders whose shares are held through a broker, bank, or other nominee as of the Record Date may register to participate in the Annual Meeting remotely by visiting the website www.cesonlineservices.com/cnnd24_vm. Please have your voting instruction form, or other communication containing your control number available and follow the instructions to complete your registration request.

If you encounter technical issues during the pre-registration process, please contact Corporate Election Services using the link on the pre-registration website. After registering, all shareholders will receive a confirmation email with a link and instructions for accessing the virtual Annual Meeting. Requests to register to participate in the Annual Meeting remotely must be received no later than 1:00 p.m. EDT, on April 16, 2024.

VOTING PROCEDURES AND METHOD OF COUNTING VOTES

The holders of a majority of all common stock issued, outstanding, and entitled to vote are required to attend the Meeting or to be represented by proxy at the Meeting in order to constitute a quorum for transaction of business.

If you are a registered shareholder, you have five voting options:

- by use of the Internet, which we encourage if you have Internet access;
- by telephone, by calling the telephone number on your proxy form;
- by mail, by completing, signing, dating, and returning your proxy form;
- by attending the Annual Meeting and voting your shares in person; or
- by attending the Annual Meeting remotely and voting your shares through the online Meeting portal.

Instructions for each method of voting are set forth on the enclosed proxy form. If your shares are held by a nominee, you may instruct the record holder how to vote by completing the voting instructions card provided to you. If your shares are held by a broker, bank, or other nominee, you must follow the instructions provided by your broker, bank or other nominee to vote your shares and you may not vote your shares at the Meeting unless you obtain a “legal proxy” from the broker, bank or other nominee that holds your shares giving you the right to vote the shares at the Meeting.

If a shareholder of record properly designates a proxy to vote at the Annual Meeting, a vote will be cast in accordance with those instructions. If a proxy is returned without instructions, it will be voted “FOR” the nominees for director in Proposal 1; “FOR” the approval of the Canandaigua National Corporation 2024 Omnibus Incentive Plan in Proposal 2; and as otherwise described in the Proxy Statement.

Abstentions and broker non-votes represented by submitted proxies will be included in the calculation of the number of the shares present at the Annual Meeting for the purposes of determining a quorum. “Broker non-votes” means shares held of record by a broker that are not voted on a matter because the broker has not received voting instructions from the beneficial owner of the shares and lacks the authority to vote the shares in its discretion under the rules of the New York Stock Exchange (“NYSE”).

Proposal 1: Directors are elected by a plurality of the votes cast at the Annual Meeting on this proposal, and the five nominees who receive the most votes will be elected. If your shares are held through a nominee, your brokerage firm or other nominee is not permitted to vote your shares with respect to Proposal 1 without specific instructions from you as to how to vote with respect to the election of each of the five nominees for director. The election of directors is not considered a “routine” matter under the NYSE rules. Abstentions and broker non-votes represented by submitted proxies will not be taken into account in determining the outcome of the election of directors.

Proposal 2: To be approved, this Proposal regarding the Canandaigua National Corporation 2024 Omnibus Incentive Plan requires an affirmative vote of at least a majority of the votes cast at the Annual Meeting. Abstentions will not constitute a vote cast.

ELECTION OF DIRECTORS AND INFORMATION REGARDING BOARD OF DIRECTORS

Our Certificate of Incorporation provides that the Board of Directors is divided into three classes, one of which is typically elected at each Annual Meeting for a term of three years and until their successors have been elected and qualified. The Board of Directors has nominated five persons for election as Directors for the terms indicated in the following tables. Additional information regarding the Board of Directors is set forth in the Annual Report.

PROPOSAL 1 ELECTION OF DIRECTORS

Five individuals have been nominated by the Board of Directors for reelection as Class 1 Directors at the Annual Meeting: Frank H. Hamlin, III, George W. Hamlin, IV, Caroline C. Shipley, Sue S. Stewart, Richard J. Plympton. If elected, the Class 1 nominees will serve a term of three years expiring at the Annual Meeting of Shareholders in 2027 and until their successors have been elected and qualified.

Each nominee has consented to be named in this Proxy Statement and to serve if elected.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE ELECTION OF ALL FIVE NOMINEES.

Incumbent Class 1 Directors – Term Expiring 2027				
Name	Age	Year First Elected or Appointed to:		Principal Occupation⁽¹⁾ for past 5 years (in some cases, additional years are reported)
		Corporation	Bank	
Frank H. Hamlin, III	51	2004	2004	Canandaigua National Corporation Director, President and Chief Executive Officer, March 2013 – present Director and President, 2011 – March 2013 Director, 2004 – 2011 The Canandaigua National Bank and Trust Company ⁽²⁾ Director, President and Chief Executive Officer, March 2013 – present Director and President, 2011 – March 2013 Director, 2004 – 2011 Director, President and Chief Executive Officer, CNB Insurance Agency, ⁽³⁾ April 24, 2013 – present CNB Mortgage Company ⁽³⁾ Director and Chief Executive Officer, March 21, 2018 – present Chairman of the Board and Chief Executive Officer, June 27, 2013 – March 20, 2018 Director, President and Chief Executive Officer, CNB 2020 QOF, Inc., ⁽²⁾ December 31, 2020 – present Director, President and Chief Executive Officer, CNB Parrish QOZB, Inc., ⁽⁴⁾ December 31, 2020 – present Canandaigua National Trust Company of Florida ⁽²⁾ Director and Chief Executive Officer, April 25, 2019 – present Director, President and Chief Executive Officer, June 11, 2015 – April 24, 2019 Director, OBS Holdings, Inc., ⁽⁵⁾ 2011 – February 29, 2020 Manager and Chief Executive Officer, WBI OBS Financial, LLC, ⁽⁵⁾ 2011 – February 29, 2020 Director, Genesee Valley Trust Company, ⁽⁶⁾ 2011 – March 1, 2018
George W. Hamlin, IV	82	1984	1979	Canandaigua National Corporation Chairman of the Board, 2011 – July 2023 Chairman of the Board and CEO, 2011 – March 2013 Director, President and CEO, 1984 – 2010 The Canandaigua National Bank and Trust Company ⁽²⁾ Chairman of the Board, Officer, Senior Policy Advisor and Consultant at Large, March 2013 – July 2023 Chairman of the Board and CEO, 2011 – March 2013 Director, President and CEO, 1979 – 2010 Director, CNB Mortgage Company, ⁽³⁾ 1999 – present Chairman of the Board, Canandaigua National Trust Company of Florida, ⁽²⁾ 2009 – present Director, Genesee Valley Trust Company, ⁽⁶⁾ 2008 – March 1, 2018
Richard J. Plympton	60	2020	2020	CEO, Optimax Systems, Inc., January 2013 – present
Caroline C. Shipley	84	1984	1984	Financial Manager, Dell Broadcasting WCGR/WLKA, 1985 – 1991 Treasurer and Financial Manager, Sonnenberg Gardens, 1973 – 1984
Sue S. Stewart	81	2000	2000	Attorney, Ret'd Senior Vice President and General Counsel, University of Rochester, 2003 – 2012 Partner, Nixon Peabody, LLP, 1978 – 2001, Managing Partner Rochester Office, 1998 – 2000

⁽¹⁾ Principal Occupation is current unless otherwise indicated.

⁽²⁾ Wholly owned subsidiary of Canandaigua National Corporation.

⁽³⁾ Wholly owned subsidiary of The Canandaigua National Bank and Trust Company.

⁽⁴⁾ Wholly owned subsidiary of CNB 2020 QOF, Inc.

⁽⁵⁾ Wholly owned subsidiary of Canandaigua National Corporation which was sold on February 29, 2020.

⁽⁶⁾ Wholly owned subsidiary of Canandaigua National Corporation which was merged with and into The Canandaigua National Bank and Trust Company on March 1, 2018.

Frank H. Hamlin, III has been a Director of the Corporation and The Canandaigua National Bank and Trust Company (“Bank”) since 2004. He has been employed as President of the Bank since January 1, 2011 and Chief Executive Officer of the Bank and Corporation since March 29, 2013. Mr. Hamlin serves as Director and Chief Executive Officer of CNB Mortgage Company, and Director, President and Chief Executive Officer of Canandaigua National Trust Company of Florida, CNB Insurance Agency, and CNB Funding Corporation. Mr. Hamlin previously served as Director of OBS Holdings, Inc. and Manager and Chief Executive Officer of WBI OBS Financial, LLC, subsidiaries of Canandaigua National Corporation that were sold on February 29, 2020. Mr. Hamlin served as Director of Genesee Valley Trust Company from 2011 to March 1, 2018 when it merged with and into The Canandaigua National Bank and Trust Company. Prior to being employed by the Bank, Mr. Hamlin was of counsel at Croucher, Jones & Johns from July 2007 through December 2010. Prior to that time, Mr. Hamlin worked as an attorney in private practice from June 2001 to 2007. Mr. Hamlin received his Bachelor of Arts (BA) in Political Science, Minor in Psychology in May 1995 from the University of Vermont and his Juris Doctor from Albany Law School of Union University in May 2000. Frank H. Hamlin, III is the son of George W. Hamlin, IV.

George W. Hamlin, IV has been a Director of the Corporation since its inception in 1984. He is also a Director of The Canandaigua National Bank and Trust Company, CNB Mortgage Company and Canandaigua National Trust Company of Florida. He served as Director of the Genesee Valley Trust Company from 2008 to March 1, 2018 when it merged with and into The Canandaigua National Bank and Trust Company. Mr. Hamlin has been continuously employed by The Canandaigua National Bank and Trust Company since March 6, 1978 until his retirement on July 19, 2023. Mr. Hamlin served for 34 years as President and CEO from March 1979 to March 2013. Mr. Hamlin retired as Chairman on July 19, 2023. In addition to his work for the Bank, Mr. Hamlin also serves as Director and President of Canandaigua Area Development Corporation. Mr. Hamlin graduated from Yale University in 1963 with a Bachelor of Science (BS) degree in Physics. He received his Juris Doctor from the University of Virginia Law School in 1972. Between college and law school Mr. Hamlin served with the U.S. Air Force from 1963 to 1969 as a single seat F-105 Fighter Pilot accumulating 100 Combat Missions over North Viet Nam, spread over three tours during the summers of ’66, ’67, & ’68. Among his decorations are the Distinguished Flying Cross (DFC) and 10 Air Medals. Mr. Hamlin is a nationally recognized expert in banking policy and law. He was elected to an unprecedented second three-year term as the community bank member of the Board of Directors of the Federal Reserve Bank of New York where he served for six years (1997-2002) and was Chairman of its Audit Committee. He previously served on its Buffalo Branch Board for four years (1993-1996). He has testified before Congress and the Federal Reserve on banking policy and was called to advise former President George H. W. Bush on current national Banking issues germane to the recovering economy and the impact upon the upcoming election prospects. Mr. Hamlin is a veteran and available consult to the activities of The New York Bankers Association (NYBA) and is a past Chairman of NYBA (1992-1993) as well as its Legislative Committee and its Trust Division. In 1985 he served as the 10th Chairman of The Independent Bankers Association of New York State (IBANYS). He was a past member of the Government Relations Council of the American Bankers Association and was active as a Contact Banker for legislative matters. Mr. Hamlin has served on and chaired numerous civic boards and, in particular, health care organizations in the Rochester/Finger Lakes Region of New York to include University of Rochester Medical Center, Thompson Health, The Eastman School of Music, The Rochester Museum and Science Center, and Colgate Rochester Crozer Divinity School. In 2007 he was inducted into the Rochester Business Hall of Fame, the first Banker to be so honored for innovation in the banking industry, inspired leadership and commitment to the community.

Richard J. Plympton was appointed to the Board of Directors of the Corporation on April 29, 2020, and is currently a member of the Audit and Risk Committee and Trust Investment Committee. Mr. Plympton serves as the CEO of Optimax Systems, Inc., a precision optics manufacturer in Ontario, NY. He has provided leadership and vision over the past 25 years that guided Optimax from a small start-up to America’s largest precision optics manufacturer. The mission statement for Optimax is simply, “Enabling customer success and employee prosperity,” and the company utilizes employee profit sharing as one means of creating a rewarding work environment. Mr. Plympton is actively involved in supporting regional workforce development and the optics industry. He currently serves on the New York State Workforce Investment Board at the privilege of Governor Hochul and as Past Chair of the Finger Lakes Workforce Investment Board to strengthen our community. He is also a Director of The Optica Foundation, Director and Treasurer of the Optics and Electro-Optics Standards Council (American National Standards Institute), and Director for AmeriCom to strengthen the US photonics industry. Mr. Plympton is an Inductee to the Rochester Business Hall of Fame and past SBA New York State Small Business Person of the Year and as Aspen Institute Fellowship for Job Quality. He holds degrees in business administration, computer science and engineering science from Finger Lakes Community College, a Bachelor of Science degree in Optics and an MBA both from the University of Rochester.

Caroline C. Shipley has been a Director of the Corporation and a member of the Audit and Risk Committee since 1984. Mrs. Shipley has served as Chair of the Audit and Risk Committee from 1985 to 2002 and from 2004 to the present. Mrs. Shipley also served as the Treasurer of several local charitable organizations including the Ontario Children’s Foundation for more than 20 years and as Treasurer of the First Congregational Church in Canandaigua, New York, a position she has held from 1993 to 2022.

Mrs. Shipley served as Treasurer and Financial Manager of Sonnenberg Gardens from 1973 to 1984. Mrs. Shipley served as a member of the Board of Education of the Canandaigua City School District for 30 years and was President of the Board from 1983 to 1991 and from 2007 to 2009. Mrs. Shipley played an integral part in numerous capital projects including the “Build on Our Excellence” project in 2004 for \$17.8 million and the construction of the Academy on East Street. Mrs. Shipley was the Financial Manager of Dell Broadcasting WCGR/WLKA from 1985 to 1991.

Sue S. Stewart has been a Director of the Corporation since 2000. Ms. Stewart serves as Chair of the Nominating and Governance Committee and has been a member of the Executive Committee and the Audit and Risk Committee since 2010. Ms. Stewart was Senior Vice President and General Counsel of the University of Rochester from 2003 to 2012. She served as Chair of Trustees for the National Center for Education and the Economy from 1997 through June 30, 2021 and has served as former Director of the United Way of Greater Rochester. Ms. Stewart was a Partner of Nixon Peabody LLP from 1978 to 2001 and Managing Partner at the firm’s Rochester Office from 1998 to 2000. Accordingly, the Board of Directors has determined that Ms. Stewart understands financial, legal, accounting and compliance issues and reports due to her many years of experience as part of senior leadership at a major international law firm and a large (19,998 full-time equivalent employees) research university, which demonstrates the skills and experience desired for service on the Board.

Class 2 Directors – Nominees for Term Expiring 2026

Name	Age	Year First Elected or Appointed to:		Principal Occupation ⁽¹⁾ for past 5 years (in some cases, additional years are reported)
		Corporation	Bank	
Gary L. Babbitt	66	2019	2019	The Canandaigua National Bank and Trust Company ⁽²⁾ Director, January 1, 2019 – present Executive Vice President and Chief Lending Officer, 2008 – December 31, 2019 Director, Secretary and Executive Vice President, CNB Mortgage Company, ⁽³⁾ March 21, 2018 – December 31, 2019
Daniel P. Fuller	73	1996	1996	President and General Manager, Bristol Mountain Resort General Manager, Roseland Waterpark Vice Chairman of the Board, Canandaigua National Corporation and Canandaigua National Bank & Trust Company; 2011 – present
Thomas S. Richards	80	2004	2004	Attorney, Ret’d Mayor, City of Rochester, March 2011 – December 2013 Corporation Counsel, City of Rochester, January 2006 – November 2010
James H. Watters	70	2019	2019	Senior Vice President and Treasurer, Finance and Administration, Rochester Institute of Technology, 1994 - present

⁽¹⁾ Principal Occupation is current unless otherwise indicated.
⁽²⁾ Wholly owned subsidiary of Canandaigua National Corporation.
⁽³⁾ Wholly owned subsidiary of The Canandaigua National Bank and Trust Company.

Gary L. Babbitt has been a Director of Canandaigua National Corporation and The Canandaigua National Bank and Trust Company (“Bank”) since January 2019. Mr. Babbitt was employed by the Bank from 1996 through 2019. During his years at the Bank, Mr. Babbitt served as Executive Vice President, Chief Lending Officer from 2008 to December 31, 2019, and as Director, Secretary and Executive Vice President of CNB Mortgage Company from March 21, 2018 to December 31, 2019. He continues to serve as a member of the Asset Resolution Committee, Nominating and Governance Committee, and Executive Committee for the Bank. Mr. Babbitt served as Senior Vice President, Commercial Services of The Canandaigua National Bank and Trust Company from 2006 to 2007, and as Vice President, Commercial Services Officer from 1996-2005. Prior to that time, Mr. Babbitt served as a Commercial Loan Officer with two other financial services companies. Mr. Babbitt received a Bachelor of Arts (B.A.) degree in Business Administration and Economics from Grove City College. He is also a graduate of the Bank Administration Institute Graduate School of Bank Management and Sheshunoff Executive Banking Institute. Mr. Babbitt is a former Director of the Empire State Certified Development Company. Over the years, Mr. Babbitt has served on the Boards of local civic organizations including the Genesee Community College Foundation and the Arc of Monroe County. The Board of Directors has determined that Mr. Babbitt’s wealth of experience, knowledge and talent in the lending industry make him a valuable resource for service on the Board.

Daniel P. Fuller has been a member of the Corporation’s Board of Directors since 1996. The Board of Directors has determined that Mr. Fuller’s dedicated service on the Board, including service as its Chairman for two years, has demonstrated his knowledge of the business, as well as opportunities and risks facing the Bank and the Corporation’s other subsidiaries. He currently serves as the Vice Chairman for the Canandaigua National Corporation and The Canandaigua National Bank and Trust Company Mr. Fuller’s skill in developing policies and working with other Board members and management to meet the changing regulatory demands and financial challenges demonstrate the skills and experience desired for continued service on the Board. In addition, Mr. Fuller’s leadership of both Bristol Mountain Resort and Roseland Waterpark has provided him with the experience and skills to understand the Corporation’s customers’ focus and business.

Thomas S. Richards previously served the Corporation as a Director from 2004 until November 2010, when he resigned to run for and eventually serve as Mayor of the City of Rochester. He was again elected as a Director of the Corporation by the Board of Directors effective January 15, 2014. Mr. Richards serves as Chairman of the Corporation’s Compensation Committee and also serves on the Audit and Risk Committee and the Nominating and Governance Committee. Mr. Richards is a graduate of Bucknell University and Cornell Law School. He served four years in the U.S. Navy, including a year as a Swift Boat Officer in Vietnam. . Mr. Richards began his legal career with the firm of Nixon, Hargrave, Devans & Doyle (now Nixon Peabody) in Rochester. He remained with the firm for 20 years during which he specialized in civil litigation and served at various times as its Managing Partner and Chairman of its Management Committee. Thereafter, he joined Rochester Gas & Electric Company (RG&E) as General Counsel. After holding various senior positions in the company, he became the Chairman, President, and CEO of RGS Energy Group, the parent company of RG&E. His public service has included serving as the volunteer founding Chairman of Greater Rochester Enterprise, a public/private partnership dedicated to the economic development of the Rochester region, Corporation Counsel of the City of Rochester, and most recently as Mayor of the City. Over the years, he has served on numerous not-for-profit medical, educational and community service boards, currently including Rochester Institute of Technology, University of Rochester, University of Rochester Medical Center, and Rochester Area Community Foundation. The Board of Directors has determined that Mr. Richards’ individual qualifications and skills as a Director, including his extensive experience as a practicing attorney in the Rochester, New York, region and his extensive business and personal relationships throughout the communities served by the Corporation’s subsidiaries demonstrate the skills desired for continued service on the Board. He resides with his wife Betty in Rochester

James H. Watters, PhD was appointed to the Board of Directors of the Corporation on November 13, 2019. Since 1997, Dr. Watters has served as Senior Vice President and Treasurer, Finance and Administration of Rochester Institute of Technology (RIT), where he is responsible for the direct investment of \$400 million of working capital, the administration of the investment process for \$1.3 billion of endowment assets, which includes overseeing approval for ten real estate funds, and the management and issuance of \$405 million of public debt. Dr. Watters serves in the senior leadership role to more than 870 full-time staff charged with responsibility for the financial, physical, human capital, and information assets of RIT. Dr. Watters is also vice chairman of RIT’s global subsidiary where he negotiates business models and real estate transactions for RIT’s global campuses. He has instructed various graduate business courses during his tenure in the RIT College of Applied Sciences and the E. Philip Saunders College of Business. He serves on various for-profit and not-for-profit boards throughout Rochester, New York, including the Rochester Philharmonic Orchestra, Broadstone Net Lease and New York Kitchen. Prior to joining RIT, Dr. Watters spent 16 years with the University of Pittsburgh in positions such as Assistant Vice Chancellor for Finance and Business and Assistant Vice Chancellor for Real Estate and Management. Dr. Watters began his career in higher education administration assisting in the management of offshore insurance captives for the University of Pittsburgh. Dr. Watters holds a BS, MS, and PhD from the University of Pittsburgh. Dr. Watters serves as Chair of the Nominating and Governance Committee, as well as the Compensation Committee at RIT. The Board of Directors has determined that Dr. Watters’ individual qualifications and skills, including his vast experience as a leader in finance at large educational institutions and his participation in numerous civic organizations, provide him with a comprehensive understanding of the challenges and opportunities facing businesses today, and make him a valuable resource for the Corporation.

Class 3 Directors –Term Expiring 2025

Name	Age	Year First Elected or Appointed to:		Principal Occupation ⁽¹⁾ for past 5 years (in some cases, additional years are reported)
		Corporation	Bank	
Erika J. Duthiers	50	2022	2022	Associate Vice President of Compliance and Ethics and Deputy General Counsel, Rochester Institute of Technology, 2009 – present
Michael C. Goonan	70	2015	2015	University of Rochester Medical Center (URMC) Senior Financial Advisor, 2015 – May 2021 Vice President and Chief Financial Officer, 1995 – 2015 Canandaigua National Corporation Board of Directors, 2015-Present Chairperson, Board of Directors 2023-Present
Lawrence A. Heilbronner-Kolthoff	58	2014	2014	Heilbronner Consulting Owner/Principal, November 28, 2018 – Present The Canandaigua National Bank and Trust Company ⁽²⁾ Director, December 10, 2014 – present Executive Vice President, Chief Financial Officer, and Secretary, January 2014 – December 31, 2018 Chairperson, Trust Investment Committee, August 17, 2023 - Present Canandaigua National Corporation Director, December 10, 2014 - present Treasurer, Executive Vice President and Chief Financial Officer, January 2014 – December 31, 2018 CNB Insurance Agency ⁽³⁾ Director, April 9, 2014 – April 24, 2019 Director, Treasurer, Executive Vice President and Chief Financial Officer, April 9, 2014 – December 31, 2018 Director, Treasurer, Executive Vice President and Chief Financial Officer, CNB Mortgage Company, ⁽³⁾ 2002 – December 31, 2018 Canandaigua National Trust Company of Florida ⁽²⁾ Director, April 25, 2019 – present

				Executive Vice President and Chief Financial Officer, 2009 – December 31, 2018 Chairperson, Trust Investment Committee, November 16, 2023 - Present OBS Holdings, Inc. ⁽⁴⁾ Chairman, 2015 – December 31, 2018 Director, 2011 – December 31, 2018 Director, OBS Financial, ⁽⁴⁾ 2011 – December 31, 2018 Manager, WBI OBS Financial, LLC, ⁽⁴⁾ 2011 – December 31, 2018 Director and Treasurer, Genesee Valley Trust Company, ⁽⁵⁾ 2008 – March 1, 2018
Robert G. Sheridan	75	1992	1992	The Canandaigua National Bank and Trust Company, ⁽²⁾ 1971– 2011 Director and Secretary, CNB Mortgage Company, ⁽³⁾ 1998 – March 20, 2018
⁽¹⁾ Principal Occupation is current unless otherwise indicated. ⁽²⁾ Wholly owned subsidiary of Canandaigua National Corporation. ⁽³⁾ Wholly owned subsidiary of The Canandaigua National Bank and Trust Company. ⁽⁴⁾ Wholly owned subsidiary of Canandaigua National Corporation which was sold on February 29, 2020. ⁽⁵⁾ Wholly owned subsidiary of Canandaigua National Corporation which was merged with and into The Canandaigua National Bank and Trust Company on March 1, 2018.				

Erika J. Duthiers was appointed to the Board of Directors of the Corporation in 2022. She currently serves as the Associate Vice President for Compliance and Ethics and Deputy General Counsel at Rochester Institute of Technology (RIT). In this role, she is responsible for leading the university’s internal processes for developing, promoting, and ensuring the university’s compliance with laws, regulations, and university policies. She also assists the General Counsel with legal matters affecting the university. Prior to joining RIT in 2009, Ms. Duthiers was a senior associate at Nixon Peabody LLP, where she represented clients in domestic and international arbitrations, and in complex commercial litigation involving contracts, intellectual property, and employment discrimination in state and federal courts. Ms. Duthiers holds a BA from Manhattan College, and a JD from Albany Law School of Union University. She is active in the Rochester community and has held leadership roles on several nonprofit boards and professional organizations. For her professional and civic efforts, she was honored as a “2017 Top Women in Law,” she is a 2015 ATHENA Young Professional Award® finalist, a “2011 Forty Under 40” honoree, and was selected by the Democrat & Chronicle as one of “Rochester’s Emerging African American Leaders in 2009.” The Board of Directors has determined that Ms. Duthiers’ individual qualifications and skills, including her legal, compliance and ethics experience and her participation in numerous community organizations, provide her with a comprehensive understanding of the challenges and opportunities facing businesses today, and make her a valuable resource for the Corporation.

Michael C. Goonan was elected to the Board of Directors of the Corporation on June 10, 2015, and elected as Chairperson on July 19, 2023. Mr. Goonan serves as a member of the Audit and Risk Committee, Compensation Committee, Executive Committee, and Nominating and Governance for The Canandaigua National Bank and Trust Company. Mr. Goonan is currently retired, previously serving as Senior Financial Advisor for the University of Rochester Medical Center (URMC) from 2015 to 2021. He was with URMC since 1995 where he began as Director of Finance and then served as Chief Financial Officer. Prior to that time, Mr. Goonan worked in financial operations for Strong Memorial Hospital, as manager for management consulting group Peat, Marwick, Mitchell & Co, and was licensed as a New York State Certified Public Accountant. He is a graduate of St. John Fisher College, earning his Bachelor of Science (BS) degree in Accounting. Mr. Goonan is also a member of the Board of Directors at Golisano Children’s Hospital, a Trustee Emeritus for St. John Fisher College, an Honorary Member of the Board of Directors of the Catholic Family Center, and a member of the Board of Directors of the Pluta Cancer Center Foundation. Mr. Goonan is a recipient of the Excellence in Management Award from St. John Fisher College, the Outstanding Accounting Alumnus Award from St. John Fisher College, and the 2013 Rochester Business Journal Financial Executive of the Year Award.

Lawrence A. Heilbronner-Kolthoff, CPA has been a Director of the Corporation and The Canandaigua National Bank and Trust Company (“Bank”) since 2014. He is currently the Owner and Principal of Heilbronner Consulting, and serves on the Executive, Trust Investment, Asset/Liability Management and Asset Resolution Committees for the Bank. Mr. Heilbronner-Kolthoff was employed by the Bank from 1998 through 2018. After 21 years of service, Mr. Heilbronner-Kolthoff retired from the Bank on December 31, 2018. During his years at the Bank, Mr. Heilbronner-Kolthoff served as Executive Vice President – Finance and Operations and Chief Financial Officer of the Corporation and all subsidiaries from 2007 to December 31, 2018, and Chief Financial Officer of Canandaigua National Trust Company of Florida (CNTF) from 2009 to December 31, 2018. He was elected to the Board of CNTF in April 2019 and continues to serve as Director. He served as Treasurer of Canandaigua National Corporation from January 2014 until his retirement. Mr. Heilbronner-Kolthoff was an Officer of CNB Insurance Company from 1999 to December 31, 2018 and was elected as Director in 2012. In 2011, Mr. Heilbronner-Kolthoff was appointed as Manager of WBI OBS Financial, LLC, and as Director of OBS Holdings, Inc. and OBS Financial Services, Inc. He was appointed as Manager. of WBI OBS Financial, LLC in 2015, and continued to serve on all three Boards until his retirement. Mr. Heilbronner-Kolthoff served as Treasurer of Genesee Valley Trust Company from 2008 to March 1, 2018 when it merged with and into The Canandaigua National Bank and Trust Company. Mr. Heilbronner-Kolthoff served as Director, Treasurer, Executive Vice President and Chief Financial Officer of CNB Mortgage Company from 2002 until his retirement in 2018. Previously, Mr. Heilbronner-Kolthoff was Senior Vice President, Chief Financial Officer and Principal Accounting Officer of the Corporation and all subsidiaries from 2004 to 2007 and was Vice President of Finance from 1998 to 2004. Prior to 1998, Mr. Heilbronner-Kolthoff was employed by the public accounting firm KPMG LLP from 1987 to 1998 working in their Rochester, NY, and Amsterdam, the Netherlands offices. While overseas, Mr. Heilbronner-Kolthoff provided assurance and consulting

services to international banks headquartered in the Czech Republic and Ukraine. In the United States, Mr. Heilbronner-Kolthoff specialized in banking and insurance. Mr. Heilbronner-Kolthoff has a Bachelor of Science (BS) degree in Accounting from Binghamton University, Magna Cum Laude. He is a Certified Public Accountant and an insurance broker, licensed in the State of Louisiana. Mr. Heilbronner-Kolthoff has advised industry trade groups on the regulatory impact to community banks of taxation and operational matters. He is a member of the American Institute of Certified Public Accountants and the Society of Louisiana CPA's. He has been an active community leader, serving several not-for-profit organizations in his community.

Robert G. Sheridan has been a Director of the Corporation and The Canandaigua National Bank and Trust Company ("Bank"), and a member of the Executive Committee since 1992. He continues to serve as Chairman of the Asset Resolution Committee for The Canandaigua National Bank and Trust Company. Mr. Sheridan served as Director and Secretary of CNB Mortgage Company from 1998 to March 20, 2018 and served as President from October 18, 2002 to November 31, 2011. Mr. Sheridan was continuously employed by The Canandaigua National Bank and Trust Company from 1971 to 2011, was the Community Reinvestment Act Officer until August 31, 2011, served as Cashier from 1989 until December 31, 2011, served as Secretary of the Corporation, and served as a Director of Genesee Valley Trust Company until his retirement on December 31, 2011. Mr. Sheridan served as President of Canandaigua Country Club from 2016 to 2019, and as a Director from 2012 to 2021. Mr. Sheridan graduated from St. Bonaventure University in 1971 with a Bachelor of Arts (BA) degree in History.

CORPORATE GOVERNANCE

The Corporation's business, property, and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our President and Chief Executive Officer and other officers, by reviewing reports and other materials provided to them, by visiting our offices, and by participating in meetings of the Board and its Committees. The Board of Directors is committed to employing good business practices, transparency in financial reporting, and strong corporate governance.

The same individuals serve as both Directors of the Corporation and Directors of The Canandaigua National Bank and Trust Company ("Bank"). The Corporation has standing Audit and Risk, Compensation, and Nominating and Governance Committees. The Charter of each of these Committees is available at the following website: www.cnbank.com.

The Board of Directors of the Corporation held twelve (12) meetings during 2023. The Board of Directors of the Bank held twelve (12) meetings during 2023. No incumbent Director of the Corporation attended fewer than 75% of the aggregate of all the meetings of the Boards of Directors and the Committees of which they were members. Directors are encouraged to attend the Annual Meeting of Shareholders. All thirteen Directors who were serving at the time of the 2023 Annual Meeting attended the Meeting.

Shareholders, and other interested parties, may communicate with the Board of Directors by sending communications to the attention of Jennifer N. Weidner, Esq., Secretary, Canandaigua National Corporation, 72 South Main Street, Canandaigua, NY 14424, who will forward relevant communications to one or more members of the Board of Directors.

BOARD STATEMENT ON DIVERSITY

Canandaigua National Corporation takes an active role in helping the communities we share to thrive and grow. This includes our commitment to having a Board of Directors and a workforce that is reflective and supportive of diversity, equity, and inclusion. It is through our core values and our corporate culture that we create an environment where the unique talents and perspectives of all our stakeholders are valued, respected, and utilized. The Board views diversity broadly to include individuals who possess a variety of personal and professional experiences, perspectives, and backgrounds. The Board will not exclude individuals from nomination or Board service based on race, color, creed, citizenship, national origin, ancestry, sex, age, religion, military status, or veteran status; marital status; familial status; gender identity and expression, sexual orientation, disability, and any other status protected by law.

ROLE OF THE BOARD IN RISK OVERSIGHT

The Corporation's Board of Directors considers general oversight of the Corporation's risk management efforts to be a responsibility of the entire Board. The Board's role in risk oversight includes receiving regular reports from members of management, establishing standards for risk management, and approving policies that address and mitigate material risks to the Corporation including credit, interest rate, investment, liquidity, operational, financial, and legal and regulatory risks, among other matters. The Board conducts certain risk oversight activities through its committees, which oversee specific areas and provide reports to the full Board regarding the committee's considerations and actions. The Audit and Risk Committee reviews and considers financial, accounting, and regulatory compliance risks, including those that could arise from our accounting and financial reporting processes. The Compensation Committee reviews and considers risks related to the Corporation's compensation policies, including incentive plans, to determine whether those plans subject the Corporation to excessive risks. The Board also reviews and monitors risks through various reports presented by internal and external auditors and regulatory examiners.

DIRECTORS' COMPENSATION

Directors of the Corporation are also Directors of the Bank. For the year 2023, no compensation was paid to members of the Board of Directors for their service to the Corporation. For their service as Directors of the Bank, they were paid an annual retainer of \$30,000, paid in cash or stock or a combination of cash and stock at each Director's request. For the year 2023, the Chairman of the Board of Directors of the Bank was paid a cash retainer of \$70,000 and in cash at the rate of \$1,500 for each Board meeting attended at which he chaired the meeting, and the remaining members, including employee-directors, were paid in cash at the rate of \$1,200 per Board meeting attended and \$1,500 for a meeting at which they served as Chair of the meeting. Chairs of Board committees were paid in cash at the rate of \$1,000 per committee meeting attended and the remaining committee members, including employee-directors, were paid in cash at the rate of \$700 per committee meeting attended. All meeting fees are paid in cash when earned. In addition:

- Chairs of Board committees were paid an annual retainer of \$6,000, except for the Audit and Risk Committee Chair who received an annual retainer of \$13,000.
- Board Committee members were paid an annual retainer of \$2,500 for each committee on which they served, except for the Audit and Risk Committee members who received a \$4,500 annual retainer.

Name	2023 Fees Earned or Paid in Cash (\$)*
Gary L. Babbitt	73,900
Erika J. Duthiers	48,200
Daniel P. Fuller*	75,200
Michael C. Goonan*	89,550
Frank H. Hamlin, III*	72,450
George W. Hamlin, IV	145,950
Lawrence A. Heilbronner-Kolthoff	102,725
Richard J. Plympton*	62,100
Thomas S. Richards*	71,500
Robert G. Sheridan	75,600
Caroline C. Shipley*	87,600
Sue S. Stewart*	78,200
James H. Watters*	50,700
Total	1,033,675

* In 2023, the following directors elected to receive a portion of their annual retainers in shares of stock with a value of \$336.71 per share, which was the average price of the last public sealed-bid auction sale of Corporation stock prior to March 23, 2023, the date the retainers were processed for payment to directors: Daniel P. Fuller elected to receive 121 shares, Michael C. Goonan elected to receive 100 shares, Frank H. Hamlin, III elected to receive 59 shares, Richard J. Plympton elected to receive 109 shares, Thomas S. Richards and Sue S. Stewart each elected to receive 127 shares, Caroline C. Shipley elected to receive 45 shares and James H. Watters elected to receive 96 shares. The balance of the retainers was paid in cash.

COMMITTEES OF THE BOARD OF DIRECTORS

The following chart shows the composition of the committees of the Canandaigua National Corporation Board of Directors, and the number of meetings held by each committee during 2023.

2023 Committee Composition				
Director	Executive (12 meetings)	Audit and Risk (7 meetings)	Nominating and Governance (5 meetings)	Compensation (4 meetings)
Gary L. Babbitt	X		X	
Erika P. Duthiers				
Daniel P. Fuller	Vice Chair		X	X
Michael C. Goonan	Chair (as of 7/2023)	X	X	X
Frank H. Hamlin, III*	X		X	X (non-voting)
George W. Hamlin, IV*	Chair (until 7/2023)		X	X
Lawrence A. Heilbronner-Kolthoff*	X			
Richard J. Plympton*		X		
Thomas S. Richards		X	X	Chair
Robert G. Sheridan	X			
Caroline C. Shipley	X	Chair	X	X
Sue S. Stewart	X	X	Chair	
James H. Watters*				

* These Directors also serve on the Trust Investment Committee, which is a committee of The Canandaigua National Bank and Trust Company Board of Directors and The Canandaigua National Trust Company of Florida Board of Directors. Both entities are wholly owned subsidiaries of Canandaigua National Corporation.

NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee consisted of between seven (7) and eight (8) Directors in 2023. The members of the Committee are appointed by the Board of Directors each year. The Nominating and Governance Committee met five (5) times during 2023 to determine personal and professional qualifications for Board of Director candidates. A current copy of the Charter of the Nominating and Governance Committee is available for review at www.cnbank.com. The Committee plays an integral role in the selection of new Directors by reviewing the qualifications of candidates, conducting interviews, and making recommendations to the Board of Directors. In its deliberations, the Nominating and Governance Committee considers the skills represented among the existing Board members and identifies any particular qualifications that might be sought in new Directors for the purpose of augmenting the skills and experience represented on the Board, all in the context of the perceived needs of the Board at that time. In addition, the Nominating and Governance Committee will consider Director candidates recommended by shareholders. Shareholders may submit such recommendations by following the procedures outlined in the “Shareholder Proposals” section of this Proxy Statement.

The Nominating and Governance Committee also oversees matters relating to the Board and its Committees, including review of governing documents, conflict of interest oversight and other general governance matters.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Corporation consisted of five (5) Directors in 2023 who are not employees of the Bank and who are appointed annually by the Board of Directors. The Audit and Risk Committee met seven (7) times during 2023 to supervise external audit, internal audit, enterprise risk and compliance activities of the Corporation and its subsidiaries. The function of the Committee is to make or cause to be made suitable examinations every year and to ensure that the Corporation’s activities are being conducted in accordance with the law and the banking rules and regulations, and in conformance with established policy. The Committee works directly with the internal auditor to review audit plans, staffing, and the results of individual audits. At least annually, the Committee meets in executive session independently with both the internal and external auditors. In addition, the Audit and Risk Committee retains the services of a reputable independent registered public accounting firm. The Committee receives and reviews the reports of the independent auditor and presents them to the Board of Directors with comments and recommendations. At least once during each twelve-month period, this Committee requires audits of the

Corporation's trust activities of The Canandaigua National Bank and Trust Company and Canandaigua National Trust Company of Florida and determines whether an adequate review of the assets in each trust has been made. The Audit and Risk Committee also reviews reports from Enterprise Risk Management, Compliance, Credit Risk Management, and Information Security to gain an understanding of significant risks and measures taken by management to mitigate identified risks.

REPORT OF THE AUDIT AND RISK COMMITTEE

Following is the report of the Audit and Risk Committee with respect to the Corporation's audited financial statements for the fiscal year ended December 31, 2023.

One of the primary purposes of the Audit and Risk Committee is to assist the Board in its general oversight of the Corporation's financial reporting, internal controls and audit functions. The Audit and Risk Committee Charter, which is available for review on the Corporation's website at www.cnbank.com, describes in greater detail the full responsibilities of the Committee. The Audit and Risk Committee has reviewed and discussed the consolidated financial statements with management and Crowe LLP, the Corporation's independent auditor. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures; establishing and maintaining internal control over financial reporting; evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Crowe LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles, as well as expressing an opinion on the effectiveness of internal control over financial reporting.

In connection with the preparation of the consolidated financial statements for fiscal year 2023, management provided the Committee with, and the Committee reviewed, a report on the effectiveness of the Corporation's internal control over financial reporting as required by the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) and related regulations. The Committee also reviewed Crowe LLP's Independent Auditors' Report included in the Corporation's Annual Report related to its audit of: (i) the consolidated financial statements and (ii) the effectiveness of internal controls over financial reporting.

The Committee continues to oversee the Corporation's efforts related to its internal control over financial reporting. The Audit and Risk Committee has discussed with Crowe LLP the matters required to be discussed by "AU-C Section 260, The Auditor's Communication with Those Charged with Governance," as amended. In addition, Crowe LLP has provided the Audit and Risk Committee with the written disclosures required by applicable requirements of the Auditing Standards Board regarding the independent accountant's communications with the Audit and Risk Committee concerning independence, and the Audit and Risk Committee has discussed with Crowe LLP their firm's independence. The Audit and Risk Committee annually reviews the consolidated financial statements and discussions with and representations from management and Crowe LLP referred to above and makes its recommendations accordingly to the Board of Directors that the audited financial statements be included in the Corporation's Annual Report for the relevant fiscal year.

The Corporation appointed Crowe LLP as independent auditor for the fiscal year December 31, 2023. All services provided by the independent auditor are pre-approved by the Audit and Risk Committee. The Chair of the Audit and Risk Committee may approve engagement of services that arise between Audit and Risk Committee meetings. Independent auditors are prohibited from providing the following non-audit services: bookkeeping; financial information systems design and implementation; appraisal or valuation; actuarial services; internal audit outsourcing; management functions or human resources; broker dealer, investment advisor or investment banking; legal or expert services unrelated to the audit; or any other service determined by the Board to be impermissible. The lead independent audit partner and the reviewing partner are required to rotate off the engagement after five years and must stay off the engagement for five years. Non-lead partners must rotate after seven years and must stay off the engagement for two years. Other specialist partners are not subject to rotation. The Audit and Risk Committee annually evaluates the partners on the account to ensure they meet the rotation requirement.

The following table presents fees for professional audit services rendered by Crowe LLP for the audit of the Corporation’s annual financial statements during 2023 and 2022, and fees billed for other services rendered by Crowe LLP:

	2023	2022
Audit Fees ⁽¹⁾	\$ 280,000	\$ 270,000
Audit-Related Fees	\$ 0	\$ 0
Tax Fees	\$ 0	\$ 0
All Other Fees	\$ 1,508	\$ 1,242
Total Fees	<u>\$ 281,508</u>	<u>\$ 271,242</u>

⁽¹⁾Audit fees consisted of professional services rendered for the audits of the consolidated financial statements of the Corporation and the audit of Internal Controls over Financial Reporting.

The Board of Directors of the Corporation provides continuing professional education for its Directors through a series of educational presentations that are made to the full Board at Board meetings related to financial industry trends and specific information regarding changes in laws and regulations applicable to the Corporation. In addition, continuing professional education materials specific to contemporary audit issues relating to financial services companies are provided to the Audit and Risk Committee members by Crowe LLP.

COMPENSATION COMMITTEE

The Compensation Committee of the Corporation consisted of six (6) Directors in 2023, five (5) of whom are non-employees, who are appointed annually by the Board of Directors. The Compensation Committee is responsible for establishing, reviewing, and approving executive officer compensation levels, reviewing annual performance reviews of executive officers, performing an annual review of the Chief Executive Officer, considering senior leadership succession and development issues, reviewing the Corporation’s Human Resource Program and related matters. The Committee reports the results of its deliberations to the Board for its review and action as appropriate. The Compensation Committee has a Charter, a current copy of which is available for review at www.cnbank.com.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee met four (4) times during 2023 to consider annual reviews of executive officers' performance; conduct a review of the Chief Executive Officer; review the Corporation’s Human Resources policies, compensation, and succession plans; and review with consultants the appropriateness of the Executive Officers’ compensation plans and results.

In the following Compensation Committee Report, “we,” “our,” and “us” refer to the Compensation Committee.

Compensation Philosophy

Our purpose is to act on behalf of the Board of Directors to ensure the existence and implementation of fair and equitable human resource policies and compensation that support the Corporation’s mission, vision, and values. Through our work, we endeavor to maintain executive compensation that is fair, reasonable, and consistent with the Corporation’s size and the compensation practices of the financial services industry.

Our goal is to attract, develop and retain high caliber executives, in key leadership positions, who are capable of optimizing the Corporation’s performance for the benefit of its shareholders while maintaining the philosophy of traditional community banking. The Corporation’s goal as a multi-bank financial holding company is to offer its customers products and services that meet their needs, extraordinary personal service, and also to provide a strong commitment to the communities it serves. The Corporation’s philosophy centers on the belief that comprehensive financial services are more about relationships than transactions. The Corporation engages in traditional banking, which derives most of its revenues from lending core deposits to others in the same community who are engaged in productive and constructive pursuits, which positively and in a sustained way drive the growth of local economies. We believe that the Corporation’s philosophy leads to the development of meaningful, long-term relationships with its customers and communities, and we believe this philosophy should be a core element of our executive compensation program.

We believe that a significant portion of an executive officer’s compensation should be tied to performance. The Corporation’s compensation program contains a mix of base salary and performance-based incentive compensation components. Up to 40% of executive compensation is tied to performance and at-risk components. We consider and emphasize many factors and

objectives when measuring the performance of the Corporation and its executives for the prior year and in setting goals and objectives for the coming year.

Our compensation program includes:

- objectives that drive near-term achievement of the Corporation's budgetary and short-term financial goals;
- objectives that drive achievement of long-term financial and operational goals as outlined in the Corporation's strategic plan;
- objectives that support the values and culture of the Corporation and community banking; and
- objectives related to the personal development of the Corporation's executive officers and other employees.

The Role of Officers in Compensation Decisions

The Chief Executive Officer, Chief Financial Officer, and Chief Human Resources Officer each provide us with information and analysis that is used in determining the compensation of the Corporation's executive officers.

Compensation Committee Methodology

The Chief Executive Officer completes an annual performance assessment for each of the executive officers and recommends a total compensation package for each of the executive officers. We review and consider both the CEO's assessments and his compensation recommendations in our deliberations regarding compensation amounts. We conduct an annual performance appraisal of the Chief Executive Officer based on evaluation information solicited from each member of the Board of Directors and recommend to the Board the annual compensation package for the Chief Executive Officer. In determining the compensation of the Corporation's executive officers for 2023, including the compensation of the Chief Executive Officer, we considered a number of quantitative and qualitative performance factors including:

- the Corporation's financial performance, including return on equity, return on assets, net interest margin, growth in earnings per share, loan growth, deposit growth, fee income, and revenue from assets under management;
- the Corporation's growth;
- the Corporation's cumulative shareholder return; and
- the executive's role and success in the management of assets, liabilities, capital, liquidity, and risk.

We endeavor to balance the Corporation's short-term and long-term performance and cumulative shareholder value when establishing performance criteria for each of the executive officers and for the management team as a group. In formulating total compensation, we also consider intangible factors such as:

- the executive's scope of responsibility;
- leadership within the Corporation, the community, and the financial services industry; and
- whether the Corporation, under the executive's leadership, has been able to serve worthwhile public purposes while enhancing shareholder value.

All of these factors are considered in the context of the market for the Corporation's products and services, and the complexity and difficulty of managing business risks in the prevailing economic conditions and regulatory environment. We believe that the total compensation provided to the Corporation's executive officers is competitive and provides effective incentives, demonstrated by the Corporation's continued superior performance.

Peer Groups and Benchmarks

We are authorized to retain outside counsel, experts, and consultants to assist us in performing our functions. As an additional source of information to assist us in evaluating appropriate compensation levels for the executive officers, we periodically conduct a comparison study of the Corporation's executive compensation with the executive compensation for comparable positions at companies within the Corporation's peer group.

In 2023, we engaged McLagan, an Aon Hewitt Company, to perform a comprehensive review of the executive officers' total compensation packages. As a part of this review, in consultation with McLagan and management, we developed two peer groups of financial institutions with similar characteristics to the Corporation. The Primary Peer Group is chosen primarily based on geographic location, revenue, business model, and performance. The High-Performance Peer Group represents approximately one-third of the Peer Group based on three-year Return on Average Equity (ROAE). We purposely chose institutions that are better performing than the overall bank marketplace to be consistent with the Corporation's historical performance.

We used the peer group data as a point of reference and comparison only, and not for purposes of establishing or setting a specific level of compensation to be achieved. Because the roles and duties of executive officers vary from institution to institution, a

direct one-to-one comparison is not always possible. We considered the experience of each of the Corporation's executive officers, their years of service to the Corporation, and the responsibilities of each officer compared to the officers in the peer group as well as to one another.

Given the limitations associated with comparative pay information, we do not rely as much on benchmarking for setting compensation as we do on the Corporation's level of performance, the executive officers' successful management and reaction to economic conditions impacting the Corporation during the year, and their success in positioning the Corporation for continued growth and optimization of shareholder value in the future.

Risk Assessment

In developing the compensation program, we seek to ensure that the program does not promote unnecessary and excessive risk that might threaten the value of the Corporation. We believe in adhering to a conservative and balanced approach to risk, which we believe is in line with the Corporation's long-held policies and practices and commitment to maintaining the philosophy of community banking. In 2023, we conducted a formal review of our Commercial Services Incentive Plan through the McLagan/Aon Consulting firm. Their review was based on the following core principles of sound incentive compensation policies released by the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision:

- Risk management: provide employees incentives that appropriately balance risk and reward;
- Internal controls: be compatible with effective controls and risk-management; and
- Corporate governance: be supported by strong corporate governance, including active oversight by the organization's board of directors, compensation committee and governance committee.

McLagan/Aon Consulting confirmed that the Commercial Services Incentive Plan was appropriately structured to company with the intent of the principles of sound incentive compensation policies. In addition to the review conducted by McLagan, the Corporation also internally reviewed our other incentive compensation plans and believe they are appropriately structured as well to comply with the intent of the principles of sound incentive compensation policies. To supplement our internal reviews from 2023, we will conduct a formal review of the Corporation's incentive compensation plan for all employees in 2024 through McLagan/Aon Consulting.

Elements of Compensation

The Corporation's executive compensation program has four basic elements:

- base salary;
- annual cash short-term incentive compensation;
- long-term equity-based incentive compensation; and
- benefits, including retirement, health care, and insurance.

We view each element of compensation as an integral component of the Corporation's compensation program, which is designed to ensure the Corporation's long-term success and increase shareholder value while sustaining our corporate mission. While there are differences within each element in accordance with the responsibilities of each executive, the elements are consistent for all executives, including the CEO. We believe this encourages important teamwork within the executive group.

Incentive compensation for the executive officers is based on a pay-for-performance philosophy that emphasizes performance goals designed to achieve long-term value for the shareholders; therefore, a portion of the executive officers' annual and long-term compensation is at risk.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS

The non-employee director members of the Compensation Committee meet in executive session, outside the presence of management, to consider and recommend the compensation of the CEO and other executive officers. The Committee, having completed an internal review of all Incentive Compensation, concluded that it was advisable to recommend to the Board and Shareholders the approval of the 2024 Omnibus Incentive Plan. More detailed information follows this report.

2024 Omnibus Incentive Plan

The Compensation Committee and the Board deem it necessary and advisable to establish an appropriate compensation plan to ensure fair and equitable compensation programs that will enable the Corporation to attract, develop, and retain the best available officers in key leadership positions and ensure the Corporation's continued success. Please see the disclosure regarding the proposed 2024 Omnibus Incentive Plan under Proposal 2 below.

PROPOSAL 2 2024 OMNIBUS INCENTIVE PLAN

The purpose of the Canandaigua National Corporation 2024 Omnibus Incentive Plan (the "Plan") is to promote the interests of the Corporation and its shareholders by: (a) attracting and retaining highly competent directors, officers, and employees (including prospective directors, officers, and employees) to the Corporation and its affiliates; and (b) providing a means to encourage stock ownership by such individuals to enable them to participate in the long-term growth and financial success of the Corporation.

The Board of Directors has adopted, subject to shareholder approval, the Plan. The Plan will become effective immediately if approved by shareholders at the Annual Meeting (the "Effective Date").

The Plan provides for awards of: (a) incentive stock options ("ISOs") and nonqualified stock options ("NSOs") to purchase shares of Common Stock; (b) stock appreciation rights ("SARs"); (c) restricted stock; (d) phantom stock; (e) performance share awards; (f) restricted stock units ("RSUs"), and (g) other equity-based awards.

The following is a summary of the principal features of the Plan. This description is qualified in its entirety by the terms of the Plan, a copy of which is attached to this Proxy Statement as Appendix A and is incorporated by reference herein.

Administration

The Plan will be administered by the Compensation Committee or the full Board unless the Board appoints another committee to administer the Plan (the "Committee"). The Committee will have the discretionary authority to: (a) administer, construe, and interpret the Plan; (b) grant incentive compensation under the Plan (an "Award") to any individual designated by the Committee as eligible to receive an Award under the Plan (a "Participant"); (c) determine the terms and conditions of Awards; and (d) make all other determinations which it deems necessary or advisable for the administration of the Plan.

The Committee or the Board may delegate to one or more officers of the Corporation the authority to select employees to participate in the Plan and to determine the number and type of Awards to be granted to such Participants.

Eligibility to Participate

Participants will generally consist of employees and directors of the Corporation and its subsidiaries. Certain individuals, however, are excluded from participation in the Plan (e.g., contract laborers and independent contractors).

Shares Available Under the Plan and for Awards

An aggregate of 185,000 shares of Common Stock have been reserved for issuance under the Plan. Stock covered by an Award granted under the Plan will not be counted as used until actually issued and delivered to a Participant. Any Common Stock covered by an SAR will be counted as used only to the extent Common Stock is actually issued to the Participant upon exercise of the SAR. Common Stock that may be issued under the Plan through ISOs is subject to the Plan's reserved 185,000 shares.

Payment and Limitations

Payment of Awards may be in the form of cash, Common Stock, other Awards, or combinations thereof as the Committee determines. The Committee may provide that any Awards under the Plan earn dividends or dividend equivalents, and interest on such dividends or dividend equivalents, other than Stock Options and SARs intended to be exempt from Section 409A of the Internal Revenue Code (the "Code"). An Award may also be subject to other provisions as the Committee determines appropriate, including provisions intended to comply with applicable law.

The date the Committee (or its delegate) approves the Award, or a later date specified in the Award, shall be the grant date of the Award for all purposes.

Stock Options

The Committee shall determine the number of shares subject to each stock option, the terms and conditions including vesting and expiration, and whether the stock option is an ISO. The exercise price for each stock option shall be determined by the Committee but shall not be less than 100% of the fair market value of the Common Stock on the date the stock option is granted unless the option is a substitute or assumed option. No stock option may be exercisable more than 10 years from the grant date, subject to additional restrictions in the Code. The exercise price may be paid to the Corporation by cash payment or its equivalent or, generally, pursuant to such other methods of payment as the Committee deems appropriate. An ISO will be treated as an NSO if it fails to meet the requirements of Section 422 of the Code.

Stock Appreciation Rights

The grant price of any SAR shall be equal to the fair market value of the Common Stock on the grant date unless the SARs are substitute or assumed SARs. An SAR may be exercised upon such terms and conditions and for the term the Committee determines. Upon exercise of an SAR, the Participant will be entitled to receive an amount determined by multiplying: (a) the difference between the fair market value of a share of Common Stock on the exercise date and the grant price of the SAR, by (b) the number of shares with respect to which the SAR is exercised. The payment to the Participant may be made in cash or stock.

Restricted Stock, RSUs, and Phantom Stock

Restricted stock, RSUs, and phantom stock shall be subject to the terms, conditions, and restrictions the Committee determines in granting the Award, including restrictions regarding sale or transfer, forfeiture in the event of termination of employment, and the attainment of certain performance criteria. All restrictions will expire at such times as the Award specifies. RSUs and phantom stock will be paid or settled within 60 days after the Award is deemed vested, but in no event longer than the maximum time period permitted under Code Section 409A to qualify as a short-term deferral.

Performance Share Awards

The Committee may award performance shares to Participants, subject to the terms and conditions the Committee determines; provided that the performance period may not be less than 12 months. Each performance share award will entitle the Participant to a payment in cash or stock upon the attainment of performance criteria and other terms and conditions specified in the Award.

Other Equity-Based Awards

The Committee may grant other equity-based awards to Participants, which are subject to the terms of a written award agreement. Additionally, a member of the Board of Directors of the Corporation or its subsidiaries may elect to receive Common Stock in lieu of all or any part of the cash compensation payable to him or her for service on the board of directors. The availability of a stock fee election is subject to the limits on Common Stock reserved for issuance under the Plan and any other rules or limitations established by the Committee. If a director makes a stock fee election, the number of shares of Common Stock that are issued to the director is determined by dividing the cash compensation subject to the stock fee election by the fair market value of the Common Stock.

Vesting and Exercise

The applicable award agreement governing an Award will contain the period during which the right to exercise the Award in whole or in part vests, including the events or conditions upon which the vesting of an Award will occur or may accelerate. No portion of an Award which is not vested at the Participant's termination of service with the Corporation will subsequently become vested, except as may be otherwise provided by the Committee in the agreement relating to the Award or by action following the grant of the Award.

Change in Control

Generally, upon a change in control event or upon termination and liquidation of the Plan: all outstanding stock options and SARs shall become vested and exercisable; all restrictions on restricted stock, RSUs, and phantom stock shall lapse; all performance criteria shall be deemed achieved and all other terms and conditions met; all performance share awards, RSUs, and phantom stock shall be paid out as promptly as practicable and in no event later than 60 days following the occurrence of the change in control. The Committee may also, in its sole discretion, upon a change in control:

- provide that outstanding Awards shall be assumed or substituted for equivalent stock and awards by the acquiring or succeeding corporation;

- upon written notice to the Participants, provide that all unexercised stock options will terminate immediately prior to the consummation of the transaction unless exercised by the Participant within a specified period following the date of such notice; or
- in the event of a change in control under the terms of which holders of Common Stock will receive a cash payment for each share surrendered, make or provide for a cash payment to the Participants equal to the difference between (y) the change in control price times the number of shares of Stock subject to such outstanding stock options and SAR (to the extent then exercisable at prices not in excess of the change in control price) and (z) the aggregate exercise price of all such outstanding stock options and SARs, in exchange for the termination of such stock options and SARs.

In the event stock options and SARs will terminate upon the consummation of the transaction, each Participant shall be permitted, within a specified period determined by the Committee, to exercise all non-vested stock options and SARs, subject to the consummation of the change in control. At the option of the Committee in its sole discretion, any Award which is not “in the money” as of the date of consummation of the change in control may be canceled automatically without any action of the Participant and without consideration.

Adjustment Provisions

In the event of any change affecting the number, class, market price or terms of the Common Stock, the Committee will equitably substitute or adjust the terms of, and the stock that may be issued under or in connection with, the Plan or any outstanding Awards; provided, however, that any equitable adjustment must be consistent with such change to prevent substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan.

Transfers

Awards granted under the Plan may not be transferred other than by will or the laws of descent and distribution.

Taxes

The Corporation has the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, an amount sufficient to satisfy applicable federal, state or local taxes (including the Participant’s FICA obligation). Participants will have the ability to make alternative arrangements with the Corporation for the payment of such taxes. In the case of non-employee Participants, in the absence of any other arrangement and to the extent permitted under applicable law, the Corporation may withhold from the cash or shares to be issued upon the settlement of an Award that amount or number of shares having a fair market value equal to the amount required to be withheld.

Duration of the Plan

The Plan shall terminate automatically on the tenth (10th) anniversary of the Effective Date.

Amendment and Termination

The Board or Committee may amend the Plan from time to time or terminate the Plan at any time; provided, however, that: (i) no provision of the Plan requiring shareholder approval shall be amended to eliminate such requirement; and (ii) no amendment may reduce the amount of the Award or adversely affect the rights of the Participant under such Award without the Participant’s consent, except as provided in Code Section 409A.

Rights as a Shareholder

A Participant shall not possess any rights of a shareholder with respect to the stock covered by any Award until the Participant becomes the record holder of such Stock, provided that a Participant may have certain shareholder rights with respect to restricted stock (except the right to receive dividends on unvested stock) as set forth in the Award.

Termination for Cause

Upon termination of a Participant’s employment with the Corporation for cause (as defined in the Plan), any and all Awards held by such Participant shall immediately terminate in their entirety upon notice to the Participant of the termination of his or her employment.

Certain Federal Tax Aspects of the Omnibus Incentive Plan

The following summary describes the federal income tax treatment that would apply to awards under the Plan. The summary is based on the law as in effect on February 1, 2024. The summary does not discuss state or local tax consequences or non-U.S. tax consequences.

Incentive Stock Options: An optionee realizes no taxable income upon the grant or, for regular tax purposes, upon the exercise of an ISO. However, the exercise of an ISO increases the optionee's alternative minimum taxable income by an amount equal to the excess (at the time of exercise) of the fair market value of the shares acquired upon exercise over the exercise price, and this increase may give rise to an alternative minimum tax liability. With certain exceptions, a disposition of shares purchased under an ISO within two years from the date of grant or within one year after exercise produces ordinary income to the optionee (and a deduction to the Corporation) equal to the value of the shares at the time of exercise less the exercise price. Any additional gain recognized in the disposition is treated as capital gain for which the Corporation is not entitled to a deduction. If the optionee does not dispose of the shares until after the expiration of these two- and one-year holding periods, any gain or loss recognized upon a subsequent sale is treated as a long-term capital gain or loss for which the Corporation is not entitled to a deduction.

The exercise of an ISO more than three months following termination of employment would result in the tax consequences described below for NSOs, except that special rules would apply in the case of disability or death. An individual's stock options otherwise qualifying as ISOs would be treated for tax purposes as NSOs (not as ISOs) to the extent that, in the aggregate, they first become exercisable in any calendar year for stock having a fair market value (determined as of the date of grant) in excess of \$100,000.

Nonqualified Stock Options: An NSO (that is, a stock option that does not qualify as an ISO) would result in no taxable income to the optionee or deduction to the Corporation at the time it is granted. An optionee exercising an NSO would, at the time of exercise, recognize ordinary income equal to (a) the per-share fair market value of a share of our common stock on the exercise date minus the exercise price at the time of grant multiplied by (b) the number of shares with respect to which the option is being exercised. A corresponding deduction would be available to the Corporation. If the NSO were granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes.

Restricted Stock Awards: A participant acquiring restricted stock generally would recognize ordinary income equal to the fair market value of the shares on the date the shares are no longer subject to a substantial risk of forfeiture (and are freely transferable) unless the participant had elected to make a timely election pursuant to Section 83(b) of the Code, in which case, the participant would recognize ordinary income on the date the shares were acquired. If the restricted stock were granted in connection with employment, this taxable income would also constitute "wages" subject to withholding and employment taxes. Upon the sale of shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value upon which the participant recognized ordinary income, would be taxed as a capital gain or loss. The amount and timing of the deduction available to the Corporation will correspond to the income recognized by the participant.

Stock Appreciation Rights, Restricted Stock Units, and Performance Shares: The grant of SARs, RSUs or performance shares would result in no taxable income to the Participant or deduction to the Corporation. A holder of an SAR would, upon exercise, recognize taxable income equal to (a) the per-share fair market value of a share of our common stock on the exercise date minus the exercise price at the time of grant, multiplied by (b) the number of shares with respect to which the SAR is being exercised. A Participant awarded RSUs or performance shares would recognize ordinary income in an amount equal to the fair market value of the compensation issued to the participant on the settlement date. If the Participant were an employee, such taxable or ordinary income generally would be subject to withholding and employment taxes, and a corresponding deduction would be available to the Corporation. Where an award is settled in the shares of our common stock, any additional gain or loss recognized upon the disposition of such shares or property would be capital gain or loss.

Section 409A: Section 409A of the Code imposes restrictions on nonqualified deferred compensation. Failure to satisfy these rules results in accelerated taxation, an additional tax to the holder of the amount equal to 20% of the deferred amount, and a possible interest charge. Stock options and SARs granted with an exercise price that is not less than the fair market value of the underlying shares on the date of grant will not give rise to "deferred compensation" for this purpose unless they involve additional deferral features. Stock options and SARs that would be awarded under the Plan are intended to be eligible for this exception.

New Plan Benefits

No Awards will be granted under the Plan before it is approved by our shareholders. Awards under the Plan will be made to eligible Participants at the discretion of the Committee. As a result, it is not possible to determine the number or type of Awards that may be granted at this time.

Required Vote

Approval of the Canandaigua National Corporation 2024 Omnibus Incentive Plan requires the approval of the holders of at least a majority of the votes cast at the Annual Meeting. Abstentions will not constitute a vote cast.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPROVAL OF THE CANANDAIGUA NATIONAL CORPORATION 2024 OMNIBUS INCENTIVE PLAN.

TRANSACTIONS WITH CERTAIN RELATED PERSONS

Directors and executive officers of the Corporation and their associates are, as they have been in the past, customers of, and have had financial transactions with, the Corporation's subsidiaries, and additional transactions may be expected to occur in the future between such persons and the Bank or other subsidiaries of the Corporation. Any loans from the Bank to such persons and their associates, outstanding at any time since the beginning of 2021, were made in accordance with Federal Reserve Board Regulation O, in the ordinary course of business of the Bank and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated customers of the Bank, and did not involve more than normal risk of collection or present other unfavorable features.

STOCK OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table sets forth, as of February 20, 2024, the amount and percentage of the common stock of the Corporation beneficially owned by each Director and each executive officer. The business address of each of the following Directors and executive officers is 72 South Main Street, Canandaigua, New York.

NAME OF OWNER	SHARES OF COMMON STOCK OWNED ⁽¹⁾	ESOP SHARE OWNERSHIP	STOCK OPTIONS	TOTAL ⁽¹⁾	TOTAL PERCENT OF CLASS
Gary L. Babbitt, Director	550	457	-	1,007	0.05%
Erika J. Duthiers, Director	3	-	-	3	0.0002%
Daniel P. Fuller, Director and Vice-Chairman of the Board	3275	-	-	3275	0.18%
Michael C. Goonan, Director	584	-	-	584	0.03%
Frank H. Hamlin, III, Director, President and Chief Executive Officer	16,823	146	-	16,969	0.92%
George W. Hamlin, IV, Director and Chairman	70,833	949	10,667	82,499	4.45%
Lawrence A. Heilbronner-Kolthoff, Director	4,942	415	-	5,357	0.29%
Richard J. Plympton, Director	473	-	-	473	0.026%
Thomas S. Richards, Director	2,138	-	-	2,138	0.12%
Robert G. Sheridan, Director	6,609	-	-	6,609	0.36%
Caroline C. Shipley, Director	3,038	-	-	3,038	0.16%
Sue S. Stewart, Director	3,147	-	-	3,147	0.17%
James H. Watters, Director	101	-	-	101	0.0054%
Salvatore (Sam) Guerrieri, Jr., Executive Vice President ⁽²⁾	3,456	43	-	3,499	0.19%
Charles J. Vita, Executive Vice President ⁽²⁾	-	81	-	81	0.004%
Vincent K. Yacuzzo, Executive Vice President and Chief Financial Officer	-	49	-	49	0.003%
A. Rosamond Zatyko, Executive Vice President ⁽²⁾	25	136	-	161	0.01%
The Canandaigua National Bank and Trust Company held in various fiduciary capacities	99,510	-	-	99,510	5.37%
All Directors and executive officers as a group and fiduciary capacities	215,841	2,613	10,667	229,121	12.36%

⁽¹⁾ Includes shares held directly, as well as shares held jointly with family members, and in retirement accounts, in a fiduciary capacity, by certain of the individual's family members, or held by trusts of which the individual is a trustee or substantial beneficiary, with respect to which shares the individual may be deemed to have sole or shared voting or investment powers, and shares which may be acquired under option agreements or pursuant to the automatic termination of a trust, discretionary account or similar arrangement. Assumes that all currently exercisable options or options exercisable within 60 days issued to the person have been exercised.

⁽²⁾ Officer of Subsidiary Companies only.

As of February 20, 2024, the subsidiary trust companies of the Corporation held in various fiduciary capacities 772,524 shares or 41.67% of the outstanding shares. They have the power to vote 126,422 shares, or 6.82% of the outstanding shares. These shares are included within the total set forth in the table above.

EXECUTIVE OFFICER INFORMATION

Name	Position(s)	Age
Frank H. Hamlin, III	President and Chief Executive Officer	51
Salvatore (Sam) Guerrieri, Jr. ⁽¹⁾	Executive Vice President	58
Charles J. Vita ⁽¹⁾	Executive Vice President and Chief Lending Officer	53
Vincent K. Yacuzzo	Executive Vice President and Chief Financial Officer	40
A. Rosamond Zatyko ⁽¹⁾	Executive Vice President and Chief Administrative Officer	60
⁽¹⁾ Officer of Subsidiary Companies only		

Frank H. Hamlin, III. Information concerning the business experience of Mr. Hamlin is provided in the section entitled “Election of Directors and Information with Respect to Board of Directors,” which begins on page 2 of this Proxy Statement.

Salvatore (Sam) Guerrieri, Jr. has served as Executive Vice President, Wealth Management of The Canandaigua National Bank and Trust Company since April 2017. In this role, Mr. Guerrieri is responsible for all Wealth Brands, including Canandaigua Investment Services and CNB Insurance Agency, as well as the Bank’s Marketing, Product Management, Community Engagement, and Corporate Communications functions. Mr. Guerrieri also serves as Director and President of Canandaigua National Trust Company of Florida. He was appointed as Director and Executive Vice President of CNB Mortgage Company on March 21, 2018, and Director and Executive Vice President for CNB Insurance Agency on April 11, 2018. In 2017, Mr. Guerrieri was appointed as Manager for WBI OBS Financial, LLC and Director of OBS Holdings, Inc. He was appointed as Chairman of the Board of WBI OBS Financial, LLC in 2019, and continued to serve on both Boards until the subsidiary was sold on February 29, 2020. Prior thereto, Mr. Guerrieri served as Senior Vice President, M&T Bank Corporation, and Chief Executive Officer and President of M&T Securities, Inc. Mr. Guerrieri served at M&T Bank Corporation from January 1996 – April 2017. During his tenure, he also served as Senior Manager of the M&T Retail Branch Network, and Chief Executive Officer of M&T Insurance Agency. He was involved in fourteen acquisitions while at M&T Bank. Mr. Guerrieri attended the University of Rochester and earned a Bachelor of Arts (B.A.) degree in Psychology. His community involvement includes service as Chairman of the Musculoskeletal Institute Council for the University of Rochester Medical Center since May 2019 and Board member of the Aquinas Institute since August 2020. He is also the Treasurer and Chair of the Finance Committee for the Aquinas Institute since September 2021. Mr. Guerrieri is the Vice Chair of the Trust and Wealth Management Division of the New York Bankers Association and serves as a Director on the Board of the New York Bankers Association since October 2021. He is the past President of the Bank Insurance Securities Association, and currently resides as an Emeritus Director. Mr. Guerrieri holds the following licenses: FINRA Series 7, 24, 53, 63, New York State Life and Health Insurance.

Charles J. Vita joined The Canandaigua National Bank and Trust Company in 2011 as Senior Vice President for Commercial Services and Group Manager. On January 1, 2020, he was appointed as Executive Vice President and Chief Lending Officer. In this role, Mr. Vita leads the strategic direction of, and provides overall management to, the Commercial Services Department, Consumer Loan Department, CNB Mortgage, Resource Recovery and Commercial/Government Cash Management. Prior to joining CNB, Mr. Vita served as Senior Vice President of Key Bank Corporate Banking from 1993 to 2004, and as Senior Vice President/District President for RBS Citizens NA, from 2004 to 2011. His background includes leadership team management and direct work with senior debt structure, capital markets, treasury management, international trade, bond finance and overall client account management. Mr. Vita earned his Bachelor of Science (BS) degree in Business Administration and his Master of Business Administration (MBA) from St. Bonaventure University. He currently holds Board positions with Monroe Community College Foundation and the Greater Rochester YMCA, and past Board positions with the Center for Governmental Research, United Way of Greater Rochester, and Rochester Business Alliance.

Vincent K. Yacuzzo joined the organization in September 2013 and previously held the position of Vice President and Controller. He was appointed as Executive Vice President and Chief Financial Officer on January 1, 2019. His responsibilities include the overall financial management for the Corporation, Bank and their subsidiaries, as well as overseeing banking operations and facilities. Prior to joining CNB, Mr. Yacuzzo served as Manager of Financial Reporting – Revenue & Assets Under Management at Manning & Napier Advisors from November 2011 – October 2013. During that time, he played a key role in the firm’s evolution into a public company, including the development of external SEC reporting and implementation of Sarbanes-Oxley. The earlier years of his professional career were spent within the external audit practice at KPMG, a global big-four public accounting firm, with a focus on publicly traded companies in the financial services industry, until his departure as Audit Manager in November 2011. Mr. Yacuzzo received his Bachelor of Science (BS) degree in Accounting, Summa Cum Laude, from St. John Fisher College. He is a licensed Certified Public Accountant (CPA) in the State of New York and a member

of the American Institute of Certified Public Accountants and the New York State Society of CPAs. Mr. Yacuzzo is active in the community, serving on the Board of Directors and the Finance and Investment Committees of the United Way of Greater Rochester and the Finger Lakes. He has previously collaborated with the City and Town of Canandaigua municipality leaders on economic development activities, including evaluating opportunities for shared services to generate taxpayer savings, in addition to numerous other past and current volunteer opportunities.

A. Rosamond Zatyko has served as Executive Vice President, Chief Administrative Officer of The Canandaigua National Bank and Trust Company since January 1, 2017. Prior thereto, Mrs. Zatyko served as Chief Credit Risk Officer, responsible for the management of all loan portfolio credit risk since 2010. Mrs. Zatyko has been employed by The Canandaigua National Bank and Trust Company since 1994, serving as the Commercial Credit Administrator responsible for general oversight of loan asset quality and the assessment of the adequacy of the loan loss reserves. Mrs. Zatyko earned a Bachelor of Arts (BA) degree from Emory University and completed the BAI Graduate School of Community Bank Management at the Emory University Goizueta Business School. She also received her certification in Loan Review in 1996. Originally from the Boston area, she started her banking career with Fleet National Bank in their Commercial Underwriting Group. She then joined the Treasury Department as an OCC Federal Bank Examiner where she examined both regional and community Banks.

INDEPENDENT AUDITORS

The Audit and Risk Committee of the Board of Directors selected Crowe LLP as the independent auditor of Canandaigua National Corporation for the year ended December 31, 2023. Representatives of Crowe LLP are expected to be present at the Annual Meeting and to be available to respond to appropriate questions. They will be given the opportunity to make a statement if they so desire.

SHAREHOLDER PROPOSALS AND NOMINATION FOR DIRECTORS

To be considered for inclusion in the Corporation's Proxy Statement and form of proxy relating to the 2025 Annual Meeting of Shareholders, which is anticipated to be held in April of 2025, a shareholder proposal must have been received by the Secretary of the Corporation at the address set forth on the first page of this Proxy Statement no earlier than October 16, 2024, and no later than November 15, 2024.

The shareholder's notice shall set forth:

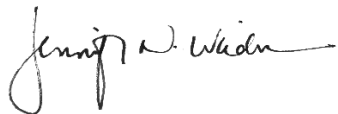
- (a) as to the shareholder giving the notice and all persons and entities acting in concert with the shareholder or, in the case of a proposal to nominate an individual(s) for election to the Board: (1) their name(s) and business address(es); (2) their name(s) and address(es) as they appear on the Corporation's books (if they so appear); and (3) the class and number of shares of the Corporation they beneficially own;
- (b) as to the business being proposed: (1) a brief description of the business desired to be brought before the meeting; (2) the reasons for conducting such business at the meeting; and (3) any material interest of the shareholder in such business;
- (c) if the shareholder proposal is to nominate individual(s) for election as a director, as to each proposed nominee: (1) the name, age, business address, and residence address of such person; (2) the principal occupation or employment of such person; (3) the class and number of shares of the Corporation which are beneficially owned by such person; and (4) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act; and
- (d) such other information as the Board of Directors reasonably determines is necessary or appropriate to enable the Board of Directors and shareholders of the Corporation to consider the proposal and to comply with applicable law.

Nominations and proposals not made in accordance with the requirements set forth above may be disregarded. In addition, the proposed business must be a proper matter for shareholder action under the New York Business Corporation Law, and the shareholder bringing such business before an Annual Meeting of Shareholders must be present at the meeting in person or by proxy.

OTHER MATTERS

At this time, the Board of Directors knows of no other matters to be brought before the 2024 Annual Meeting of Shareholders. However, if other matters should come before the meeting, it is the intention of each person named in the Proxy to vote in accordance with such person's judgment on such matters.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "Jennifer N. Weidner". The signature is written in a cursive style with a long horizontal flourish at the end.

Jennifer N. Weidner, Esq., Secretary
March 8, 2024

APPENDIX A

CANANDAIGUA NATIONAL CORPORATION

2024 OMNIBUS INCENTIVE PLAN

1. **Purpose.** The purposes of the Plan are: (a) to promote the interests of the Corporation, its Subsidiaries and its shareholders by strengthening the ability of the Corporation and its Subsidiaries to attract and retain highly competent officers and other key employees; and (b) to provide a means to encourage Stock ownership and proprietary interest in the Corporation. The Plan is intended to provide Participants with forms of long-term incentive compensation.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) **“Award”** means the grant of incentive compensation under this Plan to a Participant.

(b) **“Board”** means the board of directors of the Corporation.

(c) **“Cause”** means the termination of a Participant’s employment due to: (a) the Participant’s misappropriation of funds or assets of the Corporation or a subsidiary for personal use; (b) the Participant willfully violating the Corporation’s policies or standards of business conduct as determined in good faith by the Board; or (c) any “cause” definition that appears in the Participant’s written employment agreement or the Participant’s Award(s). The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Corporation and shall be final and binding on the Participant.

(d) **“Change in Control”** means:

(i) there shall be consummated: (1) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which any shares are to be converted into cash, securities or other property, provided that the consolidation or merger is not with a corporation which was a direct or indirect wholly-owned subsidiary of the Corporation or a parent of the Corporation immediately before the consolidation or merger; or (2) 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 the Corporation; or

(ii) the shareholders of the Corporation approve any plan or proposal for the liquidation or dissolution of the Corporation; or

(iii) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of 30% or more voting control of the Corporation’s then outstanding common stock, provided that such person shall not be a wholly-owned subsidiary of the Corporation immediately before it becomes such 30% beneficial owner of voting control; or

(iv) individuals who constitute the Corporation’s Board of Directors on the date hereof (the “Incumbent Board”) cease for any reason to constitute at least a majority thereof, provided, however, that any person becoming a director subsequent to the date hereof whose election, or nomination for election, by the Corporation’s shareholders, was approved by a vote of at least 75% of the directors comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Corporation in which such person is named as a nominee for director without objection to such nomination) shall be, for purposes of this clause (iv), considered as though such person were a member of the Incumbent Board

Notwithstanding the foregoing, any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or one of its affiliates shall not constitute a Change in Control,

(e) **“Code”** means the Internal Revenue Code of 1986, as amended.

(f) **“Committee”** means either (i) the Compensation Committee of the Board, or (ii) the full Board, unless the Board appoints another committee to administer the Plan.

(g) “Corporation” means Canandaigua National Corporation, and any successor thereto. Any reference to employment or other service relationship with the Corporation shall include a Subsidiary unless the context clearly indicates otherwise.

(h) “Disability” means any medically determinable physical or mental impairment which prevents a Participant from engaging in any substantial gainful activity and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined in good faith by the Committee.

(i) “Effective Date” shall mean the date as of which this Plan is adopted by the Board/the date that the Company's shareholders approve this Plan if such shareholder approval occurs before the first anniversary of the date the Plan is adopted by the Board.

(j) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(k) “Fair Market Value” as of any date and in respect of any share of Stock shall be determined in accordance with the following rules:

(i) If the Stock is readily tradable on an established stock exchange or interdealer quotation system, then the “Fair Market Value” of the Stock shall be the closing sales price for the Stock on such exchange or system for the most recent market trading day on which a sale occurred preceding the date of determination, as reported on such exchange or system or such other source as the Committee deems reliable.

(ii) If the Stock is not readily tradable on an established stock exchange or interdealer quotation system, then the “Fair Market Value” of the Stock shall be as determined in good faith by the Committee through any reasonable valuation method which satisfies the requirements of Section 409A of the Code.

(iii) In no event shall the fair market value of any Stock be less than its par value.

(l) “Incentive Stock Option” means a Stock Option designed to meet the requirements of Code Section 422, or any successor provision of the Code.

(m) “Nonqualified Stock Option” means a Stock Option that is not an Incentive Stock Option and the transfer or exercise of which is subject to taxation under Code Section 83 and Treasury regulations issued thereunder.

(n) “Other Equity-Based Award” means an Award that is not a Stock Option, SAR, Restricted Stock, Phantom Stock, Performance Share Award or RSU that is granted under Section 11 and is payable by delivery of Stock and/or which is measured by reference to the value of Stock.

(o) “Participant” means an individual designated by the Committee as eligible to receive an Award under the Plan.

(p) “Performance Share Award” means the grant of a right to receive a number of shares of Stock or share units based upon the achievement of long-term Performance Criteria during a Performance Period, as determined by the Committee.

(q) “Performance Criteria” means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon business criteria or other performance measures determined by the Committee in its discretion.

(r) “Performance Period” means a period of at least one year and no more than five years, designated by the Committee.

(s) “Person” means any individual, entity or group, including any “person” within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.

(t) “Phantom Stock” means an award providing a Participant with the right to receive the value of a share of Stock at a date on or after vesting in accordance with the terms of such grant, and/or upon the attainment of Performance Criteria specified by the Committee in the Award, in accordance with section 9 below.

(u) “Plan” means this Omnibus Incentive Plan.

(v) “Restricted Stock” means Stock subject to a vesting condition specified by the Committee in an Award in accordance with section 9 below.

(w) “RSU” means a restricted stock unit providing a Participant with the right to receive cash or Stock, at the discretion of the Committee, at a date on or after vesting in accordance with the terms of such grant and/or upon the attainment of Performance Criteria specified by the Committee in the Award in accordance with section 9 below.

(x) “SAR” means a stock appreciation right granted pursuant to section 8 below.

(y) “Stock” means a share of the common stock of the Corporation with the general right to vote for the election of directors.

(z) “Stock Option” means the right to acquire shares of Stock at a certain price that is granted pursuant to section 7 below. The term Stock Option includes both Incentive Stock Options and Nonqualified Stock Options.

(aa) “Subsidiary” means any corporation or entity of which the Corporation owns, directly or indirectly, at least 50% of the total voting power of all classes of stock entitled to vote or at least 50% of total value of all classes of stock.

3. **Administration.**

(a) Committee Composition. The Plan will be administered by the Committee consisting of two or more directors of the Corporation as the Board may designate from time to time. Each member of the Committee shall satisfy such requirements as: (a) the Securities and Exchange Commission has or may establish for directors acting under plans intended to qualify for exemption under Rule 16b-3 or its successor under the Exchange Act; and (b) any stock exchange on which Stock of the Corporation is traded has or may establish pursuant to its rule-making authority.

(b) Powers of the Committee. The Committee shall have the discretionary authority to:

- (i) construe and interpret the Plan and any Awards granted thereunder;
- (ii) establish and amend rules for Plan administration;
- (iii) change the terms and conditions of Awards at or after grant (subject to the provisions of section 17 below);
- (iv) correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award granted under the Plan;
- (v) determine the eligible participants of the Corporation to whom, and the time or times at which, Awards shall be granted;
- (vi) determine the form of Awards and the number of shares of Stock to be subject to each award;
- (vii) prescribe the form of the Award agreements and any appropriate terms and conditions applicable to the Awards;
- (viii) to extend the time for exercising any Option (but not beyond the original ten-year term);
- (ix) make any amendments to such agreements or Awards;
- (x) to adjust Awards and any Plan limits in accordance with Section 13; and

(xi) make all other determinations which it deems necessary or advisable for the administration of the Plan.

The determinations of the Committee shall be made in accordance with its judgment as to the best interests of the Corporation and its shareholders and in accordance with the purposes of the Plan. Any determination made by the Committee shall be final and binding on all Participants. Any determination of the Committee under the Plan may be made without notice or meeting of the Committee, if it is in writing and signed by all the Committee members.

Notwithstanding the above, no member of the Committee shall interpret the Plan with respect to, or exercise any discretion, act on, or decide, any matter relating to his or her rights or benefits under the Plan.

(c) **Delegation.** The Committee or the Board may authorize one or more officers of the Corporation to select employees to participate in the Plan and to determine the number and type of Awards to be granted to such Participants, except with respect to: Awards to Participants subject to Section 16 of the Exchange Act; and Awards to non-employee directors of the Corporation. Any reference in the Plan to the Committee shall include such officer or officers acting pursuant to the authority delegated by the Committee or the Board.

(d) **Indemnification.** In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof.

4. **Eligibility to Participate.** Participants may consist of employees and directors of the Corporation and its Subsidiaries; provided, however, the following individuals shall be excluded from participation in the Plan: (a) contract laborers; (b) employees whose base wage or base salary is not processed for payment by the payroll department of the Corporation or any subsidiary; and (c) any individual performing services under an independent contractor or consultant agreement, a purchase order, a supplier agreement or any other agreement that the Corporation enters into for service. Designation of a Participant in any year shall not require the Committee to designate that person to receive an Award in any other year or to receive the same type or amount of Award as granted to the Participant in any other year or as granted to any other Participant in any year. The Committee shall consider all factors that it deems relevant in selecting Participants and in determining the type and amount of their respective Awards.

5. **Shares Available Under the Plan and for Awards.** There is hereby reserved for issuance under the Plan an aggregate of 185,000 shares of Stock. Stock covered by an Award granted under the Plan shall not be counted as used unless and until actually issued and delivered to a Participant. Accordingly, if there is (a) a lapse, expiration, termination or cancellation of any Stock Option or other Award outstanding under this Plan prior to the issuance of Stock thereunder, or (b) a forfeiture of any shares of Restricted Stock or other Stock subject to an Award prior to vesting, then the Stock subject to such Awards shall be added to the Stock available for Awards under the Plan. For example, any Stock covered by an SAR shall be counted as used only to the extent Stock is actually issued to the Participant upon exercise of the right. Finally, any Stock exchanged by a Participant as full or partial payment of the exercise price under any Stock Option exercised under the Plan, any Stock retained by the Corporation to comply with applicable income tax withholding requirements, and any Stock covered by an Award which is settled in cash, shall be added to the Stock available for Awards under the Plan.

All Stock issued under the Plan may be either authorized and unissued Stock or issued Stock reacquired by the Corporation. Stock that may be issued under the Plan through Incentive Stock Options is subject to the 185,000 reserved shares under the Plan; provided, however, notwithstanding a Stock Option's designation, to the extent that Incentive Stock Options are exercisable for the first time by the Participant during any calendar year with respect to Stock whose aggregate Fair Market Value exceeds \$100,000, such Stock Options shall be treated as Nonqualified Stock Options.

The Stock reserved for issuance and the other limitations set forth above shall be subject to adjustment in accordance with section 13 hereto.

6. **Types of Awards, Payments, and Limitations.** Awards shall consist of Stock Options, SARs, Restricted Stock, Phantom Stock, Performance Share Awards, RSUs and Other Equity-Based Awards, all as described herein. Payment of Awards may be in the form of cash, Stock, other Awards or combinations thereof as the Committee shall determine, and with the expectation that any Award of Stock shall be styled to preserve the nature of the Award and such restrictions as it may impose. Consistent with Code Section 409A restrictions and subject to the provisions of section 18 hereto, the Committee, either at the

time of grant or by subsequent amendment, may require or permit Participants to elect to defer the issuance of Stock or the settlement of Awards in cash under such rules and procedures as the Committee may establish under the Plan.

The Committee may provide that any Awards under the Plan earn dividends or dividend equivalents, and interest on such dividends or dividend equivalents, other than Stock Options and SARs intended to be exempt from Code Section 409A. Such dividends or dividend equivalents shall be credited to a Participant's Plan account and are subject to the same vesting or Performance Criteria as the underlying Award. Dividends or dividend equivalents shall be subject to such restrictions and conditions as the Committee may establish, including reinvestment in additional Stock or Stock equivalents.

Each Award shall be evidenced by an agreement that sets forth the terms, conditions and limitations of such Award. Such terms may include, but are not limited to, the term of the Award, the provisions applicable in the event the Participant's employment terminates, and the Corporation's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind any Award including without limitation the ability to amend such Awards to comply with changes in applicable law. An Award may also be subject to other provisions (whether or not applicable to similar Awards granted to other Participants) as the Committee determines appropriate, including provisions intended to comply with federal or state tax or securities laws, stock exchange requirements, understandings or conditions as to the Participant's employment, requirements or inducements for continued ownership of Stock after exercise or vesting of Awards, or forfeiture of Awards in the event of termination of employment shortly after exercise or vesting, or breach of noncompetition or confidentiality agreements following termination of employment. The Committee need not require the execution of any such agreement by a Participant. The date of the Award or the date specified in the Award shall be the grant date of the Award for all purposes.

Measurement of the attainment of Performance Criteria may exclude, if the Award agreement so provides, impact of charges for restructurings, discontinued operations, extraordinary items and other unusual or non-recurring items, and the cumulative effects of tax or accounting changes, each as defined by generally accepted accounting principles and as identified in the financial statements, in the notes to the financial statements, in the management's discussion and analysis section of the financial statements, or in other Securities and Exchange Commission filings.

Consistent with Code Section 409A restrictions, an Award may: (i) require a Participant to have amounts or Stock that otherwise would be paid or delivered to the Participant as a result of the exercise or settlement of an Award under the Plan credited to a deferred compensation or stock unit account established for the Participant by the Committee on the Corporation's books of account; or (ii) permit a Participant to defer the receipt of payments of Awards pursuant to such rules, procedures or programs as may be established for purposes of this Plan.

7. Stock Options. Stock Options may be granted to Participants at any time as determined by the Committee; provided, however, that Incentive Stock Options shall be granted only to an employee of the Corporation or a Subsidiary. The Committee shall determine the number of shares subject to each Stock Option and whether the Stock Option is an Incentive Stock Option. The exercise price for each Stock Option shall be determined by the Committee but shall not be less than 100% of the Fair Market Value of the Stock on the date the Stock Option is granted unless the Stock Option is a substitute or assumed Stock Option as described in section 14 hereto. Subject to the provisions of this section 7, each Stock Option shall be exercisable at such time, shall expire at such time, and shall be subject to such other terms and conditions, as the Committee shall determine and as provided in the Award; provided, however, that no Stock Option shall be exercisable more than 10 years from the date of grant. The Corporation shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the requirements of Section 409A of the Code.

Notwithstanding the foregoing, in the case of an Incentive Stock Option granted to a ten-percent shareholder described in Treasury Regulation Section 1.422-2(f), the following special rules shall apply: (a) the term of the Stock Option shall be five (5) years from the date of grant or such shorter period as may be provided in the Award agreement; and (b) the exercise price for the Option shall be no less than 110% of the Fair Market Value of the Stock on the date the Option is granted.

An Incentive Stock Option shall be exercisable following a Participant's termination of employment only as follows:

- (a) Upon termination of the Participant's employment for any reason other than death or Disability, any vested option that was exercisable immediately preceding termination may be exercised at any time prior to the earlier of the expiration date of the ISO or the expiration of three months after the date of such termination.
- (b) If the employment of a Participant terminates by reason of death or Disability (as determined by the Committee), any ISO may be exercised by the Participant or, in the event of the Participant's death, by the

Participant's personal representative any time prior to the earlier of the expiration date of the ISO or the expiration of one year after the date of termination, but only if, and to the extent that, the Participant was entitled to exercise the ISO at the date of such termination.

Any Incentive Stock Option that fails to meet the requirements of Section 422 of the Code shall be treated as a Nonqualified Stock Option. To the extent that the aggregate Fair Market Value of Stock with respect to which Stock Options designated as Incentive Stock Options are exercisable for the first time by any Participant during any calendar year exceeds \$100,000, such excess Stock Options shall be treated as Nonqualified Stock Options.

In no event shall the Committee cancel any outstanding Stock Option with an exercise price greater than the then current Fair Market Value of the Stock for the purpose of reissuing any other Award to the Participant at a lower exercise price or reduce the exercise price of an outstanding Stock Option without shareholder approval. Reload options are not permitted.

The exercise price, upon exercise of any Stock Option, shall be payable to the Corporation in full by cash payment or its equivalent; provided, however, that with the Committee's prior written approval, the exercise price may be payable to the Corporation by: (a) tendering previously acquired Stock purchased on the open market having a Fair Market Value at the time of exercise equal to the exercise price; (b) by a net exercise method or by a cashless exercise method, including a broker-assisted cashless exercise, that complies with applicable laws (including without limitation the requirements of Regulation T and other applicable regulations promulgated by the Federal Reserve Board) and that ensures prompt delivery to the Corporation by netting of shares or in cash of the amount required to pay the exercise price and any applicable withholding taxes; and (c) such other methods of payment as the Committee, in its discretion, deems appropriate.

8. **Stock Appreciation Rights.** SARs may be granted to Participants at any time as determined by the Committee. The grant price of any SAR shall be equal to the Fair Market Value of the Stock on the date of its grant unless the SARs are substitute or assumed SARs as described in section 14 hereto. An SAR may be exercised upon such terms and conditions and for the term the Committee in its sole discretion determines. Upon exercise of an SAR, the Participant shall be entitled to receive payment from the Corporation in an amount determined by multiplying (a) the difference between the Fair Market Value of a share of Stock on the date of exercise and the grant price of the SAR by (b) the number of shares with respect to which the SAR is exercised. The payment may be made in cash or Stock, at the discretion of the Committee. In no event shall the Committee cancel any outstanding SAR with a grant price greater than the then current Fair Market Value of the Stock for the purpose of reissuing any other Award to the Participant at a lower grant price or reduce the grant price of an outstanding SAR without shareholder approval.

9. **Restricted Stock, RSUs, and Phantom Stock.** Restricted Stock, RSUs, and Phantom Stock may be awarded under such terms and conditions as shall be established by the Committee. Restricted Stock, RSUs, and Phantom Stock shall be subject to such restrictions as the Committee determines, including, without limitation, any of the following:

- (a) a prohibition against sale, assignment, transfer, pledge, hypothecation or other encumbrance for a specified period;
- (b) a requirement that the holder forfeit (or in the case of Stock sold to the Participant, resell to the Corporation at cost) such Stock, RSUs, or Phantom Stock in the event of termination of employment during the period of restriction; and
- (c) the attainment of Performance Criteria.

All restrictions shall expire at such times as the Award shall specify. Provided the Award has not previously been forfeited, RSUs and Phantom Stock shall be paid or settled within sixty (60) days after the Award is deemed vested, but in no event longer than the maximum time period permitted under Code Section 409A to qualify as a short-term deferral.

10. **Performance Share Awards.** The Committee shall designate the Participants to whom Performance Share Awards are to be awarded and determine the amount of the Award and the terms and conditions of each such Award; provided the Performance Period will not be less than 12 months. Each Performance Share Award shall entitle the Participant to receive Shares or share units upon the attainment of Performance Criteria and other terms and conditions specified in the Award. Before payment of a Performance Share Award, the Committee shall certify in writing that the Performance Criteria has been satisfied.

11. **Other Equity-Based Awards.** The Committee may grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. An Equity-Based Award (other than a Stock Fee Election) shall be evidenced by an Award Agreement and shall be subject to such conditions,

not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. Additionally, a member of the Board of Directors of the Corporation or any Subsidiary may make an election (a “Stock Fee Election”) to receive Stock in lieu of all or any part of the cash compensation payable to him or her for service on the board of directors of the Corporation or any Subsidiary. Any Stock Fee Election and any change or revocation thereto shall be made in writing and shall be subject to any rules or limitations established by the Committee. Any Stock that relates to a Stock Fee Election shall be subject to the limit on shares available under the Plan in Section 5 hereto. The number of shares of Stock shall be determined by dividing the cash compensation subject to the Stock Fee Election by the Fair Market Value as of the payment date for the cash compensation.

12. **Change in Control.**

(a) Effect of a Change in Control. Except as otherwise determined by the Committee at the time of grant of an Award and as provided in an Award agreement and, with respect to an Award that constitutes deferred compensation subject to Code Section 409A, to the extent not inconsistent with Code Section 409A restrictions regarding acceleration of payment upon a change in control event or upon termination and liquidation of the Plan, upon a Change in Control and subject to subsection (b) below: all outstanding Stock Options and SARs shall become vested and exercisable; all restrictions on Restricted Stock, RSUs, and Phantom Stock shall lapse; all Performance Criteria shall be deemed achieved and all other terms and conditions met; all Performance Share Awards, RSUs, and Phantom Stock shall be paid out as promptly as practicable and in no event later than sixty (60) days following the occurrence of the Change in Control. In addition, upon the approval of a plan of complete liquidation or dissolution of the Corporation, the Plan shall be terminated and liquidated.

(b) Treatment of Awards. Notwithstanding subsection 12(a), the Committee may, in its sole discretion, upon a Change in Control: (i) provide that outstanding Awards shall be assumed, or substantially equivalent stock and stock-based awards shall be substituted, by the acquiring or succeeding corporation; (ii) upon written notice to the Participants, provide that all unexercised Stock Options will terminate immediately prior to the consummation of the transaction unless exercised by the Participant within a specified period following the date of such notice; or (iii) in the event of a Change in Control under the terms of which holders of Stock will receive upon consummation thereof a cash payment for each share surrendered in the Change in Control, make or provide for a cash payment to the Participants equal to the difference between (y) the Change in Control Price times the number of shares of Stock subject to such outstanding Stock Options and SAR (to the extent then exercisable at prices not in excess of the Change in Control Price) and (z) the aggregate exercise price of all such outstanding Stock Options and SARs, in exchange for the termination of such Stock Options and SARs. In the event Stock Options and SARs will terminate upon the consummation of the transaction as provided in clause (ii), each Participant shall be permitted, within a specified period determined by the Committee, to exercise all non-vested Stock Options and SARs, subject to the consummation of the Change in Control. At the option of the Committee in its sole discretion, any Award which is not “in the money” as of the date of consummation of the Change in Control may be canceled automatically without any action of the Participant and without consideration. The Committee need not provide for identical treatment of each outstanding Award.

13. **Adjustment Provisions.**

(a) In the event of any change affecting the number, class, market price or terms of the Stock by reason of share dividend, share split, recapitalization, reorganization, merger, consolidation, spin-off, disaffiliation of a subsidiary, combination of Stock, exchange of Stock, Stock rights offering, or other similar event, or any distribution to the holders of Stock other than a regular cash dividend, the Committee shall equitably substitute or adjust the number or class of Stock which may be issued under the Plan in the aggregate or to any one Participant in any calendar year and the number, class, price or terms of shares of Stock subject to outstanding Awards granted under the Plan; provided, however, that any equitable adjustment shall be consistent with such change to prevent substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan.

(b) In the event of a Change in Control of the Corporation which results in the outstanding Stock of the Corporation being converted into or exchanged for different securities, cash or other property, or any combination thereof, there shall be substituted, on an equitable basis, for each share of Stock then subject to an Award granted under the Plan, the number and kind of shares of stock, other securities, cash or other property to which holders of Stock will be entitled pursuant to the transaction; provided, however, that in the event of a Change in Control and irrespective of whether an Award is being assumed, substituted or terminated in connection with the transaction, the vesting and exercisability of each outstanding Award shall accelerate in accordance with section 12(a) effective immediately prior to the Change in Control.

(c) Notwithstanding the above or any other provision of the Plan, no substitution or adjustment shall be made pursuant to this section 13 relating to an Award that is a Stock Option or SAR intended to be exempt from Code Section 409A unless the substitution or modification complies with the restrictions on modifications to Stock Options and SARs exempt from Code Section 409A, and no substitution or adjustment shall be made to an Award that is an Incentive Stock Option unless the substitution or modification complies with any additional restrictions for Incentive Stock Options.

14. **Substitution and Assumption of Awards.** The Board or Committee may authorize the issuance of Awards under this Plan in connection with the assumption of, or substitution for, outstanding Awards previously granted to individuals who become employees of the Corporation or any Subsidiary as a result of any merger, consolidation, acquisition of property or stock, or reorganization, upon such terms and conditions as the Committee may deem appropriate, provided, however, that in the case of a Stock Option or SAR intended to be exempt from Code Section 409A: (i) the excess of the aggregate Fair Market Value of the shares of Stock subject to the new or assumed Award after the assumption or substitution over the aggregate exercise or grant price of such shares must not be greater than the excess of the aggregate Fair Market Value of the shares of Stock subject to the new or assumed Award immediately before the assumption or substitution over the exercise or grant price of such shares; (ii) on a share-by-share comparison, the ratio of the exercise or grant price to the Fair Market Value of the shares of Stock subject to the Award immediately after the change in the Award or issuance of a new Award must not be more favorable to the Participant than the ratio of the exercise or grant price to the Fair Market Value of the shares of Stock subject to the old award (or portion thereof) immediately before the change in the Award or issuance of a new Award; the new or assumed Award must contain all of the terms of the old Award, except to the extent those terms are rendered inoperative by reason of the merger, consolidation, acquisition, or reorganization; and the new or assumed Award must not give the Participant additional benefits that he or she did not have under the old award.

Any substitute Awards granted under the Plan shall not count against the Stock limitations set forth in section 5 hereto, to the extent permitted by the corporate governance standards and rules of any stock exchange upon which stock of the Corporation is traded.

15. **Nontransferability.** Each Award granted under the Plan shall not be transferable other than by will or the laws of descent and distribution, and each Stock Option and SAR shall be exercisable during the Participant's lifetime only by the Participant or, in the event of Disability, by the Participant's personal representative (on behalf of the Participant). In the event of the death of a Participant, exercise of any Award or payment with respect to any Award shall be made only by or to the beneficiary, executor or administrator of the estate of the deceased Participant or the person or persons to whom the deceased Participant's rights under the Award shall pass by will or the laws of descent and distribution.

16. **Taxes.** The Corporation has the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, an amount sufficient to satisfy Federal, state or local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the Plan. As a condition of the grant, vesting, exercise or settlement of an Award, the Participant shall make such arrangements as the Committee may require, in its discretion, to satisfy any applicable tax withholding obligations.

In the case of an employee and in the absence of any other arrangement, the employee shall be deemed to have directed the Corporation to withhold or collect from his or her compensation an amount sufficient to satisfy such tax obligations from the next payroll payment otherwise payable after the date of any taxable event arising as a result of the Plan.

In the case of a Participant other than an employee (or in the case of an employee where the next payroll payment is not sufficient to satisfy such tax obligations, with respect to any remaining tax obligations), in the absence of any other arrangement and to the extent permitted under applicable laws, the Participant shall be deemed to have elected to have the Corporation withhold from the shares to be issued upon the settlement of an Award that number of shares having a Fair Market Value determined as of the applicable tax date equal to the amount required to be withheld.

If permitted by the Committee, in its discretion, a Participant may satisfy his or her tax withholding obligations by surrendering to the Corporation shares of Stock that have a Fair Market Value determined as of the applicable tax date equal to the amount required to be withheld. In the case of shares previously acquired from the Corporation that are surrendered under this section, such shares must have been owned by the Participant for more than six (6) months on the date of surrender (or such other period of time as is required for the Corporation to avoid adverse accounting charges).

Any election or deemed election by a Participant to have shares withheld to satisfy tax withholding obligations shall be irrevocable as to the particular shares as to which the election is made and shall be subject to the consent or disapproval of the Committee. Any election by a Participant to surrender shares to satisfy his or her tax withholding obligations must be made on or prior to the applicable tax date.

17. **Duration of the Plan.**

(a) **Effective Date of Plan.** The Plan shall become effective as of the Effective Date, but no Award shall be exercised (or, in the case of a stock Award, shall be granted) unless and until the Plan has been approved by the shareholders of the Corporation, which approval shall be within twelve (12) months after the date the Plan is adopted by the Board.

(b) Termination or Suspension of the Plan. The Plan shall terminate automatically on the tenth (10th) anniversary of the Effective Date. No Award shall be granted pursuant to the Plan after such date, but Awards theretofore granted may extend beyond that date. The Board may suspend or terminate the Plan at any earlier date pursuant to Section 18 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

18. **Amendment and Termination.** The Board or Committee may amend the Plan from time to time or terminate the Plan at any time; provided, however, (i) that no provision of the Plan requiring shareholder approval shall be amended to eliminate such requirement; and (ii) no amendment may reduce the amount of the Award or adversely affect the rights of the Participant under such Award without the Participant's consent. Notwithstanding the foregoing, consistent with Code Section 409A restrictions, the Committee may require an Award be deferred pursuant to section 6 hereto, without a Participant's consent; and may amend or terminate an Award to comply with changes in law without a Participant's consent.

The Corporation shall obtain shareholder approval of any Plan amendment to the extent necessary to comply with applicable laws, regulations, or stock exchange rules.

19. **Other Provisions.**

(a) Participants in Other Countries. In the event any Award under this Plan is granted to an employee who is employed or providing services outside the United States and who is not compensated from a payroll maintained in the United States, the Committee may, in its sole discretion: (i) modify the provisions of the Plan as they pertain to such individuals to comply with applicable law, regulation or accounting rules consistent with the purposes of the Plan; and (ii) cause the Corporation to enter into an agreement with any local subsidiary pursuant to which such subsidiary will reimburse the Corporation for the cost of such equity incentives.

(b) No Employment Rights. Neither the Plan nor any Award shall confer upon a Participant any right with respect to continuing the Participant's employment with the Corporation; nor interfere in any way with the Participant's right or the Corporation's right to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws and any enforceable agreement between the employee and the Corporation.

(c) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee, in its discretion, shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares of Stock, or whether such fractional shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(d) Severability. In the event any provision of the Plan shall be held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provisions had never been contained in the Plan.

(e) Not Benefits Bearing. Payments and other benefits received by a Participant under an Award made pursuant to the Plan generally shall not be deemed a part of a Participant's compensation for purposes of determining the Participant's benefits under any other employee benefit plans or arrangements provided by the Corporation or a subsidiary, unless expressly provided under such plan or arrangement.

(f) Code Section 409A. The Committee shall administer, construe, interpret, and exercise discretion under the Plan and each Award in a manner that is consistent and in compliance with a reasonable, good faith interpretation of all applicable laws, and that avoids (to the extent practicable) the classification of any Award as deferred compensation subject to Code Section 409A or, alternatively, complies with Code Section 409A requirements, as determined by the Committee. If an Award constitutes nonqualified deferred compensation subject to Code Section 409A, and such Award provides for payment upon a Change in Control, the definition of Change in Control must also constitute an event that is a change in ownership or effective control of the Corporation or a change in the ownership of a substantial portion of the assets of the Corporation within the meaning of Code Section 409A. While the Corporation intends for Awards to either be exempt from or in compliance with Section 409A, neither the Corporation nor the Committee shall be liable to any person for the tax consequences of any failure to comply with the requirements of Section 409A or any other tax consequences.

(g) Rights as Stockholder. A Participant shall not possess any rights of a shareholder with respect to the Stock covered by any Award until the Participant becomes the record holder of such Stock, provided that a Participant may have certain shareholder rights with respect to Restricted Stock (except the right to receive dividends on unvested Stock) as set forth in the Award.

(h) Leave of Absence. The Committee shall have the discretion to determine whether and to what extent the vesting of an Award shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, vesting of Stock Options or SARs shall be tolled during any such unpaid leave (unless otherwise required by applicable laws). In the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Stock Options or SARs to the same extent as would have applied had the Participant continued to provide services to the Corporation throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(i) Restated Financial Results. The Committee may make retroactive adjustments to, and the Participant shall reimburse to the Corporation any cash or equity based incentive compensation paid to the Participant, where such compensation was predicated upon achieving financial results that were substantially the subject of a restatement and, as a result of the restatement, it is determined that the Participant otherwise would not have been paid such compensation, regardless of whether or not the restatement resulted from the Participant's misconduct. In each such instance, the Corporation will, to the extent practicable, seek to recover the amount by which the Participant's cash or equity-based incentive compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results.

Furthermore, the Corporation will, to the extent permitted by governing law, require reimbursement of any cash or equity based incentive compensation paid to any named executive officer (for purposes of this policy "named executive officers" has the meaning given that term in Item 402(a)(3) of Regulation S-K under the Securities Exchange Act of 1934) where: (i) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a substantial restatement, and (ii) in the Committee's view the officer engaged in fraud or misconduct that caused or partially caused the need for the substantial restatement. In each instance described above, the Corporation will, to the extent practicable, seek to recover the described cash or equity-based incentive compensation for the relevant period, plus a reasonable rate of interest.

(j) Clawback Policy. Any Award, amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other similar action in accordance with the terms of any applicable Corporation clawback policy (the "Policy") or any applicable law. A Participant's receipt of an Award shall be deemed to constitute the Participant's acknowledgment of and consent to the Corporations' application, implementation and enforcement of (i) the Policy and any similar policy established by the Corporation that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, as well as the Participant's express agreement that the Corporation may take such actions as are necessary to effectuate the Policy, any similar policy and applicable law without further consideration or action.

(k) Termination for Cause. Upon termination of a Participant's employment with the Corporation for Cause, any and all Awards held by such Participant shall immediately terminate in their entirety upon first notification to the Participant of termination of the Participant's employment. If a Participant's employment with the Corporation is suspended pending an investigation of whether the Participant shall be terminated for Cause, all the Participant's rights under any Award likewise shall be suspended during the investigation period and the Participant shall have no right to exercise any Award. If after Participant's termination of employment without Cause, the Committee becomes aware of facts that, if it had been aware of at the time of termination, could have permitted the Corporation to terminate Participant's employment for Cause, then any and all Awards held by such Participant shall be immediately and automatically terminated and forfeited at the time of such determination of Cause by the Committee. The Committee shall have authority to effect such procedures and take such actions as are necessary to carry out the legal intent of this section, including such procedures and actions as are required to cause the Participant to return to the Corporation Stock that was acquired or vested under the Award and, if such Stock has been transferred by the Participant, to remit to the Corporation the value of such transferred Shares.

(l) Governing Law, Venue. The Plan and any actions taken in connection herewith shall be governed by and construed in accordance with the laws of the State of New York without regard to any state's conflict of laws principles. Any legal action related to this Plan shall be brought only in a federal or state court located in Ontario County, New York.