

TOMPKINS FINANCIAL CORPORATION DIRECTORS RISK COMMITTEE CHARTER

I. Purpose

The Directors Risk Committee (the “Committee”) and its Chair are appointed by the Board of Directors (the “Board”) of Tompkins Financial Corporation (the “Company”) to assist the Board in fulfilling its risk oversight responsibilities. The Committee’s primary duties are oversight of the Corporate Risk Management function, which includes Enterprise Risk Management, Corporate Compliance, Fair Lending & CRA, Anti-Money Laundering, Corporate Security, Third Party Risk Management, Model Risk Management and Information Security; and oversight of Credit Risk and the general condition of Credit Risk Management, including the performance and quality of the Company’s credit portfolios. The Committee also shall assist the Company’s Board of Directors (the “Board”) in overseeing risk across the entire Company and coordinate with the other board committees that have primary oversight for certain risk types.

II. Membership

The Committee shall consist of no fewer than three members. Committee members shall meet the independence and experience requirements set forth in Section 803 of the NYSE American LLC Company Guide, Item 407 of Regulation S-K of the Securities and Exchange Commission (“SEC”), and any other applicable regulatory authority. All members of the Committee will have an understanding of relevant risk management principles and practices relevant to the Company. In addition, in the judgment of and as determined by the Board, at least one member of the Committee will have experience in identifying, assessing, and managing risk exposures of large, complex firms.

The Chair of the Committee will be an independent director who (1) is not an officer or employee of the Company and has not been an officer or employee of the Company during the previous three years, (2) is not a member of the immediate family (as defined in 12 C.F.R. §225.41(b)) of a person who is, or has been within the last three years, an executive officer of the Company (as defined in 12 C.F.R. §215.2(e)), and (3) is an independent director under Item 407 of the Securities and Exchange Commission’s Regulation S-K. The Chair will be appointed by the Board from among the Committee’s members as recommended by the Board’s Nominating & Corporate Governance Committee.

III. Meetings

The Committee shall meet at least quarterly, and otherwise as needed. A majority of the members of the Committee present at a meeting shall constitute a quorum. The Chair of the Committee, in consultation with its other members, will determine the length of meetings and will set meeting agendas consistent with this Charter. Meetings may be called by the Chair of the Committee or the Chief Risk Officer of the Company (the “CRO”). In the normal course of business, the CRO shall attend all regular Committee meetings. Except as otherwise provided here, all meetings or other actions by the Committee will be held or taken according to the provisions of the Company’s By-Laws that govern meetings of or other actions by the Board.

The Committee shall keep minutes of its meetings. The minutes shall be circulated in draft form to all Committee members and shall be considered for approval by the Committee at a subsequent meeting. The Chair shall report the Committee's actions, recommendations, or findings to the Board at the next regularly scheduled meeting following a Committee meeting.

All determinations of the Committee shall be made by a majority of its members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

The Committee Chair shall have the ability to call an executive session with members of the Committee and the CRO. At its discretion, the Committee shall periodically meet in executive session with any or all of the following, either individually or as a group: Director of Enterprise Risk Management, Director of Bank Compliance, Director of Third Party Risk Management, Anti-Money Laundering Officer, Chief Information Security Officer ("CISO"), Corporate Security Officer, and Model Risk Management Analyst & Program Coordinator (collectively, the "CRM Leadership Team"); Enterprise Credit Administration Officer; and when deemed appropriate, separately with other members of senior management. These executive sessions shall be scheduled at the end of each regular Committee meeting. The Committee Chair shall have the ability to call other executive sessions, as necessary.

Between meetings, the Committee Chair is expected to have regular communication with the CRO and, as needed, other members of management including but not limited to the CRM Leadership Team and the Enterprise Credit Administration Officer. The CRO and other members of management are expected to communicate with the Committee Chair on any significant risk issues that arise.

IV. Committee Authority, Duties, and Responsibilities.

The Board shall be responsible for understanding the quantity of financial and non-financial risks facing the Company and evaluating the adequacy of the risk management tools used by management to address these risks. By establishing this Committee, the Board delegates this responsibility to the Committee and empowers the Committee to oversee the Company's risk management program. The Board and this Committee delegate the responsibility for the development, implementation, and day-to-day operation of the Company's risk management program to the CRO, in coordination with senior management, the CRM Leadership Team, and/or the Enterprise Credit Administration Officer as necessary.

The Committee shall oversee the Company's risk management program, including, but not limited to governance structures used by management to execute the Company's risk management program, risk profile, risk appetite, and risk management effectiveness. In exercising its oversight responsibilities, the Committee will question, challenge, and when necessary, oppose recommendations and decisions made by management that could cause the Company's risk profile to exceed its risk appetite or jeopardize the safety and soundness of any of its subsidiaries.

The Committee shall review and discuss with management the principal risks of the Company's business and operations, and any other circumstances and events that could have a significant impact on the Company's assets and stakeholders in conjunction with the Audit Committee.

In connection with its risk management oversight responsibilities, the Committee shall:

1. Oversee the establishment and operations of the Company's Enterprise Risk Management ("ERM") program and framework, including the appropriate policies, procedures, standards, and governance structure, commensurate with the Company's structure, risk profile, size, and complexity, to effectively identify, manage, and monitor key and emerging risks to the Company.
2. Approve and periodically review the Company's risk management framework and oversee management's establishment and implementation of the framework, including how the Company supports a strong risk management culture, manages and governs its risk, and defines the risk roles and responsibilities of the Company's three lines of defense.
3. Ensure that the Company's risk management framework includes:
 - a. Appropriate policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for the Company's operations;
 - b. Appropriate processes and systems, such as strategic risk assessments and key risk indicators, for identifying and reporting risks and risk management deficiencies (including in connection with emerging risks) and for ensuring effective and timely implementation of actions to address emerging risks and risk management deficiencies for the Company's operations;
 - c. Appropriate processes and systems for establishing managerial and employee responsibility for risk management;
 - d. Appropriate processes and systems for ensuring the independence of the risk management function;
 - e. Appropriate processes and systems for conducting internal loan reviews according to annual or other periodically established plans; and
 - f. Appropriate processes and systems for otherwise implementing and monitoring compliance with the Company's policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for its operations;
4. Review and approve at least annually the risk management policies of the Company's operations (the "Enterprise Risk Management Policy") and to adapt the Enterprise Risk Management Policy when and as appropriate to changes in the Company's structure, risk profile, complexity, activities, or size;
5. Review and approve at least annually the Risk Appetite Statement and metrics and monitor same to ensure that the statement remains aligned with the Company's strategic plan, and enterprise risk assessment conclusions.
6. Receive and review reports from representatives of the Enterprise Risk Committee.

7. Review and receive reports from management (including but not limited to the CRO, the CRM Leadership Team, and the Enterprise Credit Administration Officer) at least quarterly on the operation of the Company's company-wide risk management framework, including policies, procedures, processes, controls, systems, and governance structures for the identification, measurement, assessment, control, mitigation, reporting, and monitoring of risks facing the Company.
8. Receive and review reports from senior management regarding results and conclusions from various risk assessments, including a determination of whether the risk profiles are within acceptable tolerance levels, and management's action plans for any risks which are outside of acceptable thresholds.
9. Receive and review examination reports and other communications from regulatory agencies that supervise or otherwise exercise authority over the Company or any of its subsidiaries;
10. Approve the appointment and removal of the Chief Risk Officer and annually review the Chief Risk Officer's performance. The Chief Risk Officer will report to the Committee, and administratively to the Chief Executive Officer of the Company.
11. Ensure that appropriate resources of the Company are allocated to its risk management framework and review, revise, and approve the final Corporate Risk Management budget.
12. To take or cause to be taken all other actions that are necessary, appropriate, or advisable in connection with any of the foregoing or any other duty, right, power, or authority assigned or delegated to the Committee.

The Committee is charged with monitoring the current market conditions and the economic environment as it relates to credit risk and the oversight of credit risk and credit risk management; the performance and quality of the Company's credit portfolios, credit risk trends; management's process for establishing the Company's allowance for credit losses; and such other credit-related activities as may be required by applicable laws, rules, or regulations.

With respect to its credit risk oversight responsibilities, in such a manner as the Committee deems appropriate to fulfill its purposes, the Committee shall:

1. Provide oversight of the Company's Credit Policy Committee and the Credit Policy Committee Working Group and their responsibilities and activities as set forth in their respective charters.
2. Receive and review reports from the Credit Policy Committee, Directors Loan Committee (a Tompkins Community Bank Board Committee), and the Credit Policy Committee Working Group.
3. Review and approve companywide lending policies, practices, and procedures as recommended by management and the Credit Policy Committee.
4. Review management's assessment of the credit risk associated with loan originations.

5. Review senior management's administration of the Company's credit portfolio, including management's responses to trends in credit risk, credit concentration and credit quality.
6. Review management's assessment of the adequacy of the Company's credit management information systems.
7. Review and approve the quarterly Credit Risk Oversight Memorandum as provided by the Credit Policy Committee and management.
8. Review regulatory exam results relating to credit risk management and the status of management's response to any noted issues.
9. Review management's assessment of appropriateness of the allowance for loan and lease losses and oversee CECL preparation and implementation.
10. Review annually the exposure limits and policy exception guidelines for highly leveraged transactions, and actual experience against these constraints.

The Committee shall review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

With respect to its financial risk oversight function, including interest rate risk, liquidity risk, capital risk, market risk, and investment risk in such a manner as the Committee deems appropriate to fulfill its purposes, the Committee shall:

1. Oversee senior management's activities with respect to capital management, stress testing, and liquidity risk, as well as activities associated with all other defined risk categories.
2. Review information from the Asset and Liability Committee and discuss matters related to the management of market and liquidity risk.
3. Receive and review reports from management regarding liquidity and funding risks, including quarterly reports on the Company's liquidity risk profile, and shall annually review and recommend to the Board for approval the Company's liquidity risk management strategies and policies, which include the Company's contingency funding plan.
4. Review capital, interest rate sensitivity, liquidity, and investment portfolio performance reports for compliance with approved policies.
5. Review market risk management policies and risk limits, and review reports of trading activities and risk exposure for compliance with such policies.

The Committee shall review and approve significant programs and/or policies relating to the following risks: compliance risk (including the compliance program policy); the financial crimes program and financial crimes risk (including Anti-money Laundering risk); model risk; operational risk (including business resiliency risk and third-party risk); information security risk (including cybersecurity risk); technology risk; and data management risk.

With respect to its oversight of compliance risk, financial crimes risk, model risk, operational risk, third party risk, information security risk, technology risk, and data management risk in such a manner as the Committee deems appropriate to fulfill its purposes, the Committee shall:

1. Receive and review quarterly reports from the Director of Compliance, the Compliance Committee, and management regarding compliance risk and the general condition of compliance risk management, including the effectiveness of the Company's compliance program for further reporting to the Board.
2. Receive and review quarterly reports from the Corporate Security Officer, the Anti-Money Laundering Officer, and management regarding financial crimes risk and risk management, Anti-Money Laundering programs, and the effectiveness of financial crimes reporting and suspicious activity monitoring and reporting for further reporting to the Board.
3. Review information from the General Counsel regarding matters related to legal issues and legal risks.
4. Review and discuss with management regulatory reports and reported risk management deficiencies of the Company related to risk management and remediation plans related to risk management.
5. Receive and review quarterly reports from the CISO and the Technology and Information Security Committee regarding risks related to information security and cybersecurity as well as the steps taken by management to control such risks.
6. Oversee the development, implementation, and maintenance of the Company's information security program, including cybersecurity, with annual review and approval of the Company's information security program and report of same to the Board. Review significant information security matters and management's actions to address identified weaknesses.
7. Receive and review quarterly reports from the Operational Risk Committee and management regarding operational risk and the general condition of operational risk management, including the effectiveness of the Company's operational risk management program for further reporting to the Board.
8. Receive and review quarterly reports from the Director of Third Party Risk Management, the Third Party Risk Management Committee, and management regarding third party risk and the general condition of third party risk management, including the effectiveness of the Company's third party risk management program for further reporting to the Board.
9. Review the Company's business continuity plan annually.

The Committee shall also:

1. Review significant capital expenditures and potential significant merger and acquisition activity, under parameters established by the Board.

2. In conjunction with the Project Governance Counsel, review and have final approval of any new strategic customer-facing banking products, services or business lines which may have higher risk profiles.
3. Receive and review reports on selected risk topics as management or the Committee deems appropriate from time to time.
4. Consult with other committees of the Board on risk-related matters, in such manner as the Committee or its Chair deems appropriate.
5. Review its own performance annually in accordance with procedures as set forth by the Company's Nominating and Corporate Governance Committee.
6. Provide quarterly regular reports of its activities to the Board.

V. Access to Records and Advisors

The Committee shall have full access to any relevant records of the Company and have the power and authority to obtain, at its discretion, advice and assistance from internal or external financial, legal, accounting or other advisors, and to hire and compensate external advisors at the Company's expense. The Committee may request that any officer or other employee of the Company, the Company's outside counsel, or any other person meet with any members of, or consultants to, the Committee.

VI. Delegation of Authority

The Committee may form, and delegate authority to, subcommittees comprised of one or more members of the Committee, as appropriate. Each subcommittee shall have the full power and authority of the Committee, as to matters delegated to it.

VII. Amendments

The Committee shall review and reassess this charter annually. The Board may amend this charter, from time to time, upon recommendation of the Committee or the Company's Nominating and Corporate Governance Committee, by action at any meeting or by unanimous written consent.