PURPOSE

The purpose of these Corporate Governance Guidelines is to continue a long-standing commitment to good corporate governance practices by The First of Long Island Corporation ("Corporation"). Such practices provide an important framework within which the Board of Directors ("Board") and management can pursue the strategic objectives of the Corporation and safeguard its long-term financial strength for the benefit of stockholders. The Board has adopted these Corporate Governance Guidelines, which have evolved over many years and will continue to be changed and supplemented as appropriate. Their unchanging, fundamental premise, however, is the independent nature of the Board and the paramount importance of its fiduciary duty to stockholders.

BOARD RESPONSIBILITIES

The ultimate decision-making body of the Corporation is the Board, except for matters requiring stockholder approval. The directors' fiduciary duty is to exercise their business judgment in the best interests of the Corporation and its stockholders in compliance with applicable laws, regulations and regulatory guidance. As appropriate, the Board will take into consideration the interests of other stakeholders including customers, employees and the communities in which the Corporation operates.

The Board selects and oversees the Chief Executive Officer who, together with the senior management team, is charged with conducting the business of the Corporation.

New non-management directors will receive orientation from appropriate executives and directors regarding the Corporation's business and affairs.

The Chair of the Board organizes the work of the Board and ensures that the Board has access to sufficient information to enable it to carry out its functions, including monitoring the Corporation's performance and the performance of the Board and management. The role of the Chair of the Board includes: (1) presiding over all meetings of the Board and stockholders, including regular executive sessions of the Board in which the Chief Executive Officer, a management director, and other members of management do not participate; (2) establishing the annual agenda of the Board and agendas of each meeting in consultation with the Chief Executive Officer; (3) serving as an ex officio member of each board committee and advising with respect to the work of each board committee; (4) coordinating periodic Board reviews of management's strategic plan for the Corporation; and (5) coordinating the Compensation Committee annual performance review of the Chief Executive Officer.

Other duties and responsibilities of all directors include: (1) demonstrating the knowledge, skills, and leadership experience that make a director a valuable resource in fulfilling the responsibilities of the Board; (2) providing contributions to Board discussions that are forward-looking, constructive, timely, independent and to the point; (3) demonstrating the interpersonal skills to be effective in dealing with Management and other directors; (4) exhibiting an up-to-date understanding of the national banking business; (5) serving on at least two committees and participating on a regular basis; (6) bringing useful outside information and perspective to Board and Committee deliberations; (7) attending meetings well prepared to evaluate and/or add value to agenda items presented to the Board and/or committee; (8) being participative and engaged at meetings; (9) showing understanding and sensitivity to the fiduciary, ethical and legal responsibilities of Board membership; (10) dedicating sufficient time to the changing responsibilities as a Board member; (11) committing to ongoing learning to stay current on the responsibilities as a Board member; (12) representing the company appropriately when interacting with members of the public; (13) promoting the Bank in personal and professional circles; and (14) committing to continuing to meet these responsibilities.

BOARD COMPOSITION

The size of the Board will: (1) provide for sufficient diversity among non-management directors while also facilitating substantive discussions in which each director can participate meaningfully and (2) be within the limits prescribed by the Corporation's by-laws, which currently provide that the Board shall consist of not less than five nor more than twenty-five directors.

The Board is made up of Class I and Class II directors, which shall be as nearly equal in number as possible, and no class shall have less than three directors. Generally, one class of directors will stand for election at each annual meeting of stockholders, with each director to serve a two-year term. Exceptions include a director elected to fill a vacancy and newly created directorships when the number of directors is increased by the Board.

There are no established term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole. To ensure that the Board remains composed of high functioning members able to keep their commitments to board service, individual directors are responsible for completing an annual self-assessment of their contributions to the Board based on duties and responsibilities established by the Governance and Nominating Committee. The Chair of the Board meets with individual directors to discuss these duties and responsibilities.

No person shall be eligible to be elected or appointed as a director if he or she shall have attained the age of 75 years on or prior to the date of his or her election or appointment. This eligibility requirement shall not apply to individuals who served on the Corporation's Board of Directors as of April 21, 2015.

To avoid any potential conflict of interest, directors will not accept or continue a seat on any additional public company or financial institution board without first reviewing the matter with the Governance and Nominating Committee.

The Board expects that when an executive who serves on the Board resigns from his or her executive position, he or she will also simultaneously resign from the Board. Whether the individual continues to serve on the Board is a matter for discussion by the Board.

The Board believes that stockholder interests are best served by having a Chair of the Board who is independent of management and whose exclusive responsibility is the long-term best interest of the Corporation's stockholders.

BOARD MEETINGS

The Board holds ten regular meetings and such special meetings as deemed appropriate. At least one meeting, regular or special, will focus on strategic planning. It is expected that each director will make every effort to attend each board meeting and each meeting of any board committee on which he or she sits and spend the time needed and meet as frequently as necessary to properly discharge their duties. Attendance in person is preferred but attendance by other means of communication through which all persons participating in the meeting can hear each other is permitted if necessary.

Non-management directors will have regularly scheduled executive sessions. Executive sessions are attended only by non-management directors and are led by the Chair of the Board. Any non-management director may raise issues for discussion at an executive session. The Chair of the Board will apprise the CEO regarding significant discussions had and conclusions reached at such meetings.

For regularly scheduled board meetings and, to the extent practicable, for special meetings of the Board, the agenda will be distributed to each director in advance of the meeting. While the agenda is planned carefully, it is flexible enough so that unexpected developments can be discussed at board meetings. Any director may request that an item be included on the agenda. The Board reviews and approves the strategic plan and annual budget. Throughout the year, the Board reviews the Corporation's performance against the strategic plan and budget.

Information and data that are important to the Board’s understanding of the business to be conducted at a board or board committee meeting are, to the extent practicable, distributed to directors sufficiently in advance of the meeting. In situations where the content of a presentation is best delivered in conjunction with a presentation dialogue, the presentation will not be distributed in advance. Detailed financial information is provided at each regular meeting.

CRITERIA FOR NOMINATION TO THE BOARD

The Governance and Nominating Committee believes that certain minimum qualifications must be met by a nominee for the Board. Specifically, the nominee should understand that the principal duty of a director is to represent the stockholders of the Corporation. The nominee should also possess the highest level of professional and personal ethics and values, be free of any conflict of interest with respect to board service, have broad experience at the policy-making level, have the ability to provide insight and practical wisdom based on experience and expertise, be independent in accordance with the criteria set forth in these Corporate Governance Guidelines, be able to understand and relate to the culture of the Corporation, have sufficient time to properly discharge the duties associated with serving as a director, and have experience and knowledge that will enhance or maintain a diversity of business background among board members.

The qualifications the Board seeks for individual directors are identified as a set of core competencies that are subject to periodic changes in the banking industry. Core competencies include, but are not limited to: corporate governance, banking, strategic planning, business leadership, environmental and social, accounting and reporting, finance and/or investments, technology and/or cybersecurity, mergers and acquisitions, legal and/or regulatory, real estate, marketing and/or public relations.

In addition to the core competencies, the Board will include a director with financial accounting experience necessary to qualify as an “audit committee financial expert” as defined in Regulation S-K of the Securities and Exchange Commission (“SEC”). The Board has determined that a least two directors should meet this qualification.

Other top priorities include cybersecurity oversight, diversity and a strong background in the financial services industry including banking, finance, investment, treasury and mergers and acquisitions. The Board has determined that a least one director should meet the financial services industry qualification. When considering succession, these qualifications must be a top priority if there is not at least one qualified director, or it is likely there will be an opening in one of these qualifications in the near term generally defined as within two years.

The Board should adequately reflect the diversity of the Company’s constituencies and the communities in which the Company conducts business.

Although the Corporation has a long history of being able to attract and maintain a cohesive board with the variety of skills necessary to properly oversee the affairs of the Corporation, the Governance and Nominating Committee will consider director candidates recommended by stockholders. In addition, nominations for the election of directors may be made by any stockholder entitled to vote for the election of directors provided that such nominations are made in accordance with the provisions of the Corporation’s bylaws establishing the information and notice requirements for such nominations.

Each member of the Board of the Bank is required to own sufficient stock in the Corporation to qualify as a national bank director prior to becoming a director. Each director of the Corporation is required to have common stock ownership of the Corporation equal to the prior three (3) years of retainers, which includes Committee retainers and per meeting fees. The CEO of the Corporation is required to have common stock ownership of the Corporation equal to the prior three (3) years of his or her base salaries. Each other executive officer of the Corporation is required to have common stock ownership of the Corporation equal to one (1) times his or her current base salary. All ownership requirements need to be met within five years of becoming a director, CEO or other executive officer. Directors, the CEO and other executive officers may satisfy stock ownership requirements with the following forms of stock ownership: direct ownership, joint ownership, beneficial ownership, and unvested shares of time-based restricted stock or restricted stock units. Directors, the CEO and other executive officers satisfy the applicable stock ownership requirements if either (i) the aggregate price paid for such shares of common stock equals or exceeds the ownership requirements or (ii) the fair market value of such shares of common stock equals or exceeds the ownership requirements, as calculated at the closing price on the last trading day of each calendar year after the fifth anniversary of becoming a director, CEO or other executive officer.

As a condition to receiving equity awarded under the Corporation’s equity incentive plan each director and executive officer shall enter into an agreement with the Company providing that any stock acquired from the exercise of stock options or the vesting of equity awards, net of the disposition of shares for tax withholding requirements if any, must be held until stock ownership requirements are met.

Hedging the Company’s securities with the use of financial instruments (including prepaid variable forward contracts, equity swaps, calls, puts collars, and exchange funds) that offset a decrease in the market value of the company’s equity securities and any other transaction with comparable economic consequences are prohibited.

DETERMINATION OF DIRECTOR INDEPENDENCE

The Board will consist of a majority of independent directors as required by Nasdaq listing standards whom are free from any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the Board.

The following persons shall not be considered independent:

- A director who is, or at any time during the past three years was, employed by the Corporation;
- A director who accepted or who has a Family Member[1] who accepted any compensation from the Corporation in excess of $120,000 during the current fiscal year or any of the previous three fiscal years, other than (a) compensation for board or board committee service, (b) compensation paid to a Family Member who is a non-executive employee of the Corporation, or (c) benefits under a tax-qualified retirement plan or non-discretionary compensation.
- A director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Corporation as an executive officer;
- A director who is, or has a Family Member who is, a partner in, controlling shareholder or owner of, or executive officer of any organization (including any business entity or any nonprofit organization) to which the Corporation made, or from which the Corporation received, payments for property or services, in the current fiscal year or any of the past three fiscal years, that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than (a) payments arising solely from investments in the Corporation's securities or (b) payments under non-discretionary charitable contribution matching programs.
- A director who is, or has a Family Member who is, employed as an executive officer of another entity, where at any time during the past three years any of the Corporation's executive officers now serve or served on the compensation committee of such other entity.
- A director who is, or has a Family Member who is, a current partner of the Corporation's independent auditors, or within the past three years worked on the Corporation's audit as a partner or employee of the Corporation's independent auditors.

[1] Family Member means a person's spouse, parents, children and siblings, whether by blood, marriage (i.e., "in-law" relationship) or adoption, or anyone residing in such person's home.

In addition to meeting the preceding requirements, audit committee members must also meet the following requirements to be considered independent:

- An audit committee member may not directly or indirectly beneficially own 10% or more of any class of the Corporation's equity securities.
- An audit committee member may not be an Affiliated Person[2] of the Corporation or any of its subsidiaries.
- An audit committee member, a Family Member or an Associated Entity may not be a party to any existing or proposed contract or other written or oral arrangement which provides for payments from the Corporation or any of its subsidiaries for any consulting, advisory or other compensatory fee, other than compensation for service as a member of the Board or any board committee.
- An audit committee member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement.
- An audit committee member may not have participated in the preparation of the financial statements of the Corporation or any of its current subsidiaries at any time during the past three years.

[2] Affiliated Person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Corporation or any of its subsidiaries.

BOARD COMMITTEES

Currently, the standing committees of the Board are the Governance and Nominating Committee, the Audit Committee, and the Compensation Committee. In addition, the Corporation's wholly owned bank subsidiary has three standing committees: the Loan Committee, the Risk Committee, and the Asset Liability Committee.

All committees of the Corporation's Board will consist solely of independent directors. Committees of the Corporation's wholly owned bank subsidiary may include management directors. Each standing committee will have its own charter setting forth its purpose, composition, meetings, duties and responsibilities and resources and authority. Each committee will review its charter annually and make changes as deemed appropriate. The charter is submitted to the Governance and Nominating Committee for review. The Governance and Nominating Committee determines the adequacy of the charter before recommending it to the Board for approval. Each committee will complete an annual self-assessment comparing its performance with charter requirements and report the results to the Governance and Nominating Committee.

The Governance and Nominating Committee advises the Board on its committee structure including the number of committees, scope and breadth of Board committee responsibilities and alignment of work across Board committees, appointment of committee Chairs and rotation of committee members based on committee needs, director experience, interest and availability, and evolving legal and regulatory considerations.

The Chair of each board committee will regularly report to the full Board on the activities of his or her committee.

BOARD RESOURCES

The Board and board committees shall be given the resources and assistance necessary to discharge their responsibilities, including unrestricted access to senior management of the Corporation and other employees and documents. The Board and board committees have the authority to retain outside counsel and other professional advisors, as deemed appropriate, in fulfilling their duties and responsibilities. They shall have the sole authority to retain and dismiss any consultant or firm, and to approve the fees and other retention terms for such parties.

ANNUAL EXECUTIVE OFFICER PERFORMANCE EVALUATION

The Compensation Committee evaluates the performance of the Chief Executive Officer against established goals and objectives and, subject to any existing employment contracts, approves the Chief Executive Officer's compensation before recommending it to the Board to be ratified. The Chief Executive Officer evaluates the performance of other executive officers, which is reviewed by the Compensation Committee. The Chief Executive Officer recommends to the Compensation Committee the other executive officers' compensation. The Compensation Committee approves the other executive officers' compensation before recommending it to the Board to be ratified.

Compensation for the executive officers primarily consists of: (1) base salary; (2) cash bonuses; (3) non-equity incentive plan compensation paid under the Corporation's cash incentive plan authorized by stockholders; and (4) equity awarded under the Corporation's equity incentive plan authorized by stockholders. The Compensation Committee periodically utilizes an independent compensation consulting firm to assist them in determining the appropriateness and competitiveness of compensation paid to executive officers.

PROHIBITION OF TAX GROSS-UP ARRANGEMENTS

The Corporation shall not implement tax gross-up arrangements for its executive management team.

SUCCESSION PLANNING

The Board is responsible for management succession planning. This responsibility has been delegated to the Governance and Nominating Committee. The Governance and Nominating Committee is also responsible for reviewing the succession plan for directors. The Governance and Nominating Committee makes recommendations to the Board regarding both management and director succession. Succession planning addresses succession both in the ordinary course of business and on a contingent basis in case of unexpected events.

BOARD SELF-EVALUATION

The Governance and Nominating Committee leads the Board in the annual review of board performance to determine whether the Board and its committees are functioning effectively. The Governance and Nominating Committee may utilize an outside consultant for this purpose. The evaluation of the Board and its committees should include an analysis of the Board's core competencies. As a result of this assessment, the Governance and Nominating Committee will determine if there are needed areas for improvement.

DIRECTOR COMPENSATION

Compensation for non-management directors will be determined by the Board on the recommendation of the Compensation Committee. Non-management director compensation will be set at a level that is consistent with the size and scope of the Corporation's business and the responsibilities of its directors. Compensation paid to non-management directors for service on the Board may be paid in cash and/or equity compensation. The Compensation Committee periodically utilizes an independent compensation consulting firm to assist them in determining the appropriateness and competitiveness of compensation paid to non-management directors. Management directors receive no separate compensation for their board service.

BOARD'S INTERACTION WITH INSTITUTIONAL INVESTORS, PRESS, CUSTOMERS AND OTHER INTERESTED PARTIES

The Board believes that management speaks for the Corporation. Individual board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Corporation. If comments from the Board are appropriate, they should, in most circumstances, come from the Chair of the Board.

GOVERNANCE GUIDELINES REVISION

The Governance and Nominating Committee will review these Corporate Governance Guidelines annually and will recommend to the Board such revisions as it deems necessary for the Board to discharge its responsibilities.