

HARDINGE INC.
Corporate Governance Guidelines
(as in effect February 14, 2012)

The Board of Directors of Hardinge Inc., acting on the recommendation of its Nominating and Governance Committee, has adopted these guidelines to promote the effective functioning of the Board and its committees.

Role of the Board

The business and affairs of Hardinge Inc. are managed under the direction of its Board of Directors in accordance with New York law. The directors are expected to exercise their business judgment in the best interests of Hardinge Inc.'s shareholders.

Board Structure and Composition

Board Size. The size of the Board will provide for sufficient diversity among non-employee directors while also facilitating substantive discussions in which each director can participate meaningfully. The Board size, currently 8 members, will be set by the Board on recommendation of the Nominating and Governance Committee, and within the limits prescribed by Hardinge Inc.'s by-laws.

Independent Directors. A majority of the Board will consist of directors whom the Board has determined to be independent. In general, an independent director must have no material relationship with Hardinge Inc., directly or indirectly. For this purpose, Hardinge Inc. will ensure that it complies with the independence requirements of SEC and NASDAQ Listing Standards, as well as director qualification standards recommended by the Nominating and Governance Committee and its Related Party Transaction Approval Policy as applied to all directors.

Lead Director. The Board of Directors considers it to be useful and appropriate to designate a non-employee director to serve in a lead capacity to coordinate the activities of the other non-employee directors and to perform such other duties and responsibilities as the Board of Directors may determine. The specific responsibilities of the Lead Independent Director when acting as such shall be as follows:

- ! Ensure that the respective responsibilities of the Board and management are understood, and that the boundaries between Board and management responsibilities are respected;
- ! Advise as to an appropriate schedule of Board meetings, seeking to ensure that the non-employee directors can perform their duties responsibly while not interfering with on-going company operations;
- ! Approve the information, agenda and meeting schedules for the Board of Directors' and Board Committee meetings;

- ! Advise as to the quality, quantity and timeliness of the information submitted by the company's management that is necessary or appropriate for the non-employee directors to effectively and responsibly perform their duties;
- ! Retain advisers or consultants as necessary to carry out the duties of the Lead Director.
- ! Serve as Chairman of the Executive Committee and as a member of the Corporate Governance and Nominating Committee of the Board of Directors;
- ! Call meetings of the non-employee directors;
- ! Develop the agendas for and serve as Chairman of the executive sessions of the Board's non-employee directors;
- ! Serve as principal liaison between the non-employee directors and management on sensitive issues;
- ! In consultation with the Chair(s) of the Compensation and Nominating and Governance Committees, determine the manner in which to deliver to the CEO the Board's annual evaluation of the CEO's performance.

Non-Executive Chairman of the Board. If the Board has elected a Chairman of the Board to serve in a non-executive capacity (*i.e.*, a chairman who is not also an officer of Hardinge Inc.), then the Chairman of the Board will serve as the Lead Independent Director. In addition to the responsibilities of the Lead Independent Director, the Non-Executive Chairman shall also have the following specific responsibilities:

- ! Chair all meetings of the Board and preside at all shareholder meetings;
- ! Confer with the CEO and Nominating and Governance Committee regarding the staffing of the Board's Committees and the selection and rotation of Committee Chairs.
- ! Upon recommendation of the Nominating and Governance Committee, interview Board candidates that are proposed to be presented to the Board for consideration;
- ! In conjunction with the Chair of the Nominating and Governance Committee, address all issues relating to performance, training and development of individual directors.

Mandatory Retirement.

The Board has adopted a target retirement age of 72 such that sitting Board members will generally not be nominated by the Board for re-election by the stockholders following their 72nd birthday. However, the Nominating and Governance Committee has discretion to recommend the re-nomination of a Board member who has reached this retirement age if the totality of circumstances causes the committee to determine that continued service by the director is in the best interests of the Company and its stockholders. If the Nominating and Governance Committee so recommends a director for re-election to the Board following his or her 72nd birthday, and such recommendation is accepted unanimously by the Board, then the individual may stand for re-election by the stockholders.

Other Directorships. Recognizing the substantial time commitment required of directors, an employee director will serve on the board of no more than three other public companies, a non-employee director will serve on the board of no more than five other public companies, and the chief executive officer who is a director will serve on the board of no more than two other public companies. Each director will serve on the boards of other public and private companies and not-for-profit entities only to the extent that, in the judgment of the Nominating and Governance Committee, such services do not detract from the director's ability to devote the necessary time and attention to Hardinge Inc. The Nominating and Governance Committee will periodically review all directors' service on the boards of other public companies.

Change in Status. To avoid any potential for a conflict of interest or potential conflict of interest, directors will not accept a seat on any additional public company board or any governmental position without first reviewing the matter with the Nominating and Governance Committee. In addition, a non-employee director will tender his or her resignation for consideration by the Nominating and Governance Committee in the event of retirement or other substantial change in the nature of the director's employment or other significant responsibilities. If the Nominating and Governance Committee determines that the resignation should be accepted, the Committee will refer that recommendation to the Board.

Director Selection; Qualifications; Education

Director Candidates. The Board, acting on the recommendation of the Nominating and Governance Committee, will nominate a slate of director candidates for election at each annual meeting of shareholders and will elect directors to fill vacancies, including vacancies created as a result of any increase in the size of the Board, between annual meetings.

Qualifications. Candidates are selected for their character, judgment, diversity of experience, acumen and their ability to act on behalf of shareholders. Familiarity with Hardinge's industry and issues generally affecting business are among the relevant criteria. Final approval of a candidate is determined by the full Board.

Orientation. New directors will receive a comprehensive orientation from responsible executives regarding Hardinge Inc.'s business and affairs, including written materials, meetings with key management and visits to facilities.

Continuing Education. Reviews of particular aspects of Hardinge Inc.'s operations will be presented by responsible executives from time to time. Board members are encouraged to attend seminars or otherwise receive instruction on various matters affecting the Company, including corporate governance matters. The Board will also receive written materials describing matters of current interest to directors generally.

Board Meetings and Director Responsibilities

Number of Regular Meetings. The Board currently holds regular meetings five times per year.

Agenda and Briefing Material. An agenda for each Board meeting and briefing materials will, to the extent reasonable in light of the timing of matters that require Board attention, be distributed to each director prior to each meeting. Briefing materials should be concise and yet sufficiently detailed to permit directors to make informed judgments. The Chairman will normally determine the agenda for Board meetings, but any director may request the inclusion of particular items.

Meeting Attendance. It is expected that each director will make every effort to attend each Board meeting, each annual meeting of shareholders and each meeting of any committee on which he or she sits. Attendance in person is preferred but attendance by teleconference is permitted if necessary under the circumstances.

Director Preparedness. Each director should be familiar with the agenda for each meeting, should have carefully reviewed all other materials distributed in advance of the meeting, and should be prepared to participate meaningfully in the meeting and to discuss all scheduled items of business.

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

Non-employee Director Executive Sessions

An executive session of the non-employee directors will be held no less than twice a year. The Lead Director or other non-employee director as chosen by the Board will preside at the executive sessions, and will be disclosed in the proxy statement. Any non-employee director may raise issues for discussion at an executive session.

Board Self-evaluation

Annually, the Board will evaluate its performance and effectiveness as a Board, as well as the performance and effectiveness of its committees.

Committees

Committees. The Board may appoint from among its members an executive committee and other committees it determines are necessary or appropriate to conduct its business. Currently, the standing committees of the Board are the Audit Committee, Nominating and Governance Committee, Investment Committee, and Compensation Committee.

Committee Composition. The Nominating and Governance Committee, Audit Committee, and Compensation Committee will consist solely of independent directors. The Nominating and Governance Committee will recommend committee Chairs to the Board for approval.

In addition:

- ! the membership of the Board Audit Committee must meet such additional requirements as may apply under the rules of NASDAQ and the Securities and Exchange Commission;
- ! the membership of the Board Compensation Committee must meet such additional requirements as may apply under the rules of NASDAQ and must qualify as independent "non-employee directors" for purposes of Rule 16b-3 of the Securities and Exchange Commission; and
- ! no member of the Board Compensation Committee may be part of a compensation committee interlock within the meaning of Regulation S-K of the Securities and Exchange Commission.

Committee Charters. Each of the committees will have a written charter setting further its responsibilities if they are not stated in the company's by-laws. Charters will be adopted by the Board based on the recommendation of the applicable committee.

Committee Assignments. Membership of each committee will be determined by the Board on the recommendation of the Nominating and Governance Committee. Consideration will be given to rotating committee memberships periodically.

Committee Self-evaluation. Annually, each of the Board committees will conduct an evaluation of its performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

Committee Reports. The Chair of each Board committee will report to the full Board on the activities of his or her committee, including the results of the committee's self-evaluations and any recommended changes to the committee's charter.

CEO Performance Review

At least annually, the non-employee directors will, in conjunction with the Board Compensation Committee, review the performance of the CEO in light of the corporation's goals and objectives. The Board and Compensation Committee meet annually with the CEO to receive his or her recommendations concerning such goals.

Management Succession Planning and Performance Review

The Board will periodically discuss and consider succession plans for the CEO and other senior executives. Succession planning will address both succession in the ordinary course of business and contingency planning in case of emergencies or unforeseen events. To assist the Board, the CEO periodically provides the Board with an assessment of senior managers and of their potential to succeed him or her.

The function of the Board in monitoring the performance of senior management is fulfilled by the presence of outside directors who have a substantive knowledge of the business. The Board elects the corporate officers who are charged with the conduct of the company's business. The Board acts as an advisor to senior management and ultimately monitors its performance. The Compensation Committee also is responsible for setting performance goals and compensation for Hardinge's Executive Officers and reviews the compensation of the senior managers. These decisions are approved or ratified by action of the outside directors of the Board at a meeting or executive session of that group.

Board Resources

Access to Employees. Non-employee directors will have full access to the senior management of Hardinge Inc. and other employees. The Board expects that there will be regular opportunities for directors to meet with the CEO and other members of senior management in Board and committee meetings and in other formal or informal settings.

Authority to Retain Advisors. It is normally expected that information regarding the corporation's business and affairs will be provided to the Board by Hardinge Inc. management and staff and by the corporation's independent auditor. However, the Board and each committee have the authority to retain such outside independent advisors, including accountants, legal counsel, or other experts, as it deems appropriate. Non-employee directors will have full access to such outside independent advisors to ask questions regarding Hardinge Inc. The fees and expenses of any such advisors will be paid by Hardinge Inc.

Code of Conduct

Hardinge Inc. has adopted comprehensive Codes of Conduct, one applicable to all employees, one specifically addressed to Directors and Executive Officers and one for the Chief Executive and Senior Financial Officers. These standards include policies calling for strict observance of all laws applicable to Hardinge Inc.'s business and describes conflicts of interest policies which, among other things, require that directors avoid any conflict between their own interests and the interests of the corporation in dealing with suppliers, customers, and other third parties, and in the conduct of their personal affairs, including transactions in securities of the corporation, any affiliate, or any nonaffiliated organization. Each director is expected to be familiar with and to follow these policies to the extent applicable to them.

Communication by Interested Parties with the Non-employee Directors

The Nominating and Governance Committee will maintain procedures for interested parties to communicate directly with the non-employee directors. The Board believes that it is management's role to speak for the company. These procedures will be published in the proxy statement for each annual meeting of shareholders and posted on Hardinge Inc.'s Internet site.

Hardinge Inc. Non-employee Director Compensation

Compensation for non-employee directors will be determined by the independent members of the Board on the recommendation of the Compensation Committee, and will be reviewed annually. Non-employee director compensation will be set at a level that is consistent with market practice, taking into account the size and scope of the corporation's business and the responsibilities of its directors. In considering benefits and compensation of non-employee directors, the Board will consider whether questions regarding directors' independence may be raised by anything that would be considered non-customary, or the company providing indirect forms of compensation or benefits to a director or any substantial charitable contributions to organizations in which a director is affiliated.

Non-employee Director Stock Ownership

Within five years of joining the Board, each non-employee director is expected to own stock in the company at least equal to the minimum number of annual retainer shares received during the most recent five (5) years. However, it is recognized that due to unusual personal circumstances, a Board member may own a fewer number of shares.

Option Repricing

The corporation will not amend any employee stock option to reduce the exercise price (except for appropriate adjustments in the case of a stock split or similar change in capitalization); or offer to exchange outstanding employee stock options for options having a lower exercise price; or offer to exchange options having an exercise price below the current market price for cash, restricted stock, or other consideration.

Shareholder Matters

Shareholder matters such as voting rights, confidential voting, ratification of auditors, shareholder proposals receiving a majority approval and others are contained within, and governed by Hardinge Inc.'s by-laws and charter.

Re-evaluation of Corporate Governance Guidelines

The Board will review and revise these Corporate Governance Guidelines as appropriate from time to time based on the recommendation of the Nominating and Governance Committee.

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