



**Financial Institutions, Inc. Board of Directors  
Nominating and Governance Committee  
Committee Charter  
June 17, 2020**

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## **1. AUTHORITY AND PURPOSE**

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The Board of Directors (“Board”) of Financial Institutions, Inc. (“FII”) has established the Nominating and Governance Committee (the “Committee”) to assist the Board in fulfilling its oversight and fiduciary responsibilities over FII and its subsidiaries (collectively, the “Company”) relative to governance matters. The Committee’s primary roles are to:

- Identify qualified individuals to become directors.
- Recommend to the Board qualified director nominees for election at the shareholders’ annual meeting
- Determine membership on the Board committees, with input from appropriate resources including the Chair of the Board of Directors of FII
- Recommend and monitor the Corporate Governance Guidelines
- Conduct annual self-evaluations of the Board and Board Committees
- Develop and administer orientation and development programs for directors.

## **2. COMPOSITION**

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### **2.1 Chair**

At least on an annual basis, the Board will appoint a Committee member to Chair the Committee. The Board may also appoint a member as Committee Vice Chair to act when the Chair is unavailable. The Chair will preside over and conduct Committee meetings or designate another Committee member to do so in the absence of the Chair and Vice Chair.

### **2.2 Secretary**

FII’s Corporate Secretary or his/her designee will be responsible for recording and drafting meeting minutes for distribution to Committee members for review and approval.

### **2.3 Members**

The Committee shall be comprised of three or more directors as determined by the Board. Each Committee member must be “independent,” as defined by the Nasdaq listing standards and the Securities and Exchange Commission (the “SEC”), and shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

### **3. OPERATIONS**

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#### **3.1 Regularly Scheduled Committee Meetings**

The Committee will meet at prudent intervals (at least four times per year) and at such times as the Chair deems necessary and appropriate. The Committee will report material matters to the Board on a regular basis.

Meetings may include any participants the Committee deems appropriate and will be of sufficient duration and scheduled at such times as the Committee deems appropriate to discharge its duties. The Committee will allow for independent and separate discussions with Management and other resources as deemed necessary to ensure candid and open communication. However, the Committee should meet regularly without Management present.

#### **3.2 Committee Decisions**

Decisions at Committee meetings require a quorum (at least one half of the Members) and will be reached by majority vote of all Members present. Unless Company policies or legal requirements provide otherwise, the Committee may also take action without a meeting upon receipt of unanimous written or electronic consent. No Member may act in a manner that affects himself or herself.

Unless otherwise specified by a resolution approving a decision of the Committee, any Member may execute, on behalf of the Committee, all documents that are necessary or desirable to implement Committee decisions.

#### **3.3 Agendas and Meeting Materials and Minutes**

Members may suggest agenda topics to the Chair. The Chair will circulate an Agenda and meeting materials sufficiently in advance of Committee meetings to allow for appropriate preparation and review by Members.

While a majority of Members present at a meeting will constitute a quorum, Members are expected to attend all Committee meetings in person or by phone or videoconferencing.

The Chair may call a special Committee meeting with twenty-four (24) hour notice to Members, or such shorter notice as the Chair deems appropriate in the circumstances.

FII's Corporate Secretary or his/her designee will record minutes for all Committee meetings. Minutes will identify all persons in attendance and reflect the disposition of all matters considered or acted upon by the Committee.

Meeting minutes should be prepared within a reasonable time after each meeting. Minutes may be approved through electronic voting. Committee records and minutes will be maintained by the Corporate Secretary through Director Access or another reliable central depository system and retained in accordance with the Company's record retention requirements.

The Committee may establish such rules as it determines necessary or proper to conduct Committee business which are not contrary to the Company's Bylaws, Corporate Governance Guidelines, or policies or legal requirements.

### **3.4 Assistance from Management, Third Parties and Subcommittees**

The Committee will have direct access to, and complete and open communication with the Company's Management and access to Company records relevant to the Committee's duties.

The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties, and responsibilities.

In addressing Committee business, the Committee may seek advice and assistance from and may delegate authority to Company employees and third parties, including advisers and consultants. The Committee may seek, in its sole discretion and authority, appropriate third-party expert advice and approve the related fees and terms; including legal counsel opinions, when matters of a significant and material nature arise that cannot be resolved in the normal course of business.

### **3.5 Committee Performance**

The Chair will discuss Committee performance with the Chair of the Board annually. The Board's Nominating and Governance Committee will assess Committee performance at least annually and report performance to the Board.

## **4. DUTIES AND RESPONSIBILITIES**

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The Committee has the authority and will address all matters consistent with this Charter, including but not limited to the following:

- The Committee shall seek qualified director prospects and shall recommend to the Board director nominees for election at the shareholders' annual meeting.
- Prior to nominating an existing director for reelection to the Board, the Committee shall consider and review among other factors, the existing director's:
  - Board and committee meeting attendance and performance;
  - length of Board service;
  - experience, skills and contributions that the existing director brings to the Board; and
  - independence.
- The Committee shall develop and administer programs for:
  - the orientation of new directors;
  - the continuing training of all directors on legal and regulatory compliance; and
  - the continuing professional development of all directors.
- A director nominee shall meet the director qualifications specified in the Corporate Governance Guidelines, including that the director nominee possess personal and professional integrity, has good business judgment, relevant experience and skills and will be an effective director in conjunction with the full Board in collectively serving the long-term interests of the Company's shareholders.
- The Committee shall recommend to the Board for its approval directors to be appointed as members on each committee of the FII Board and the boards and committees of each of FII's subsidiaries. Prior to recommending the reappointment of a director to an FII Board committee, the Committee shall review the existing director's independence, if required, skills, committee meeting attendance, performance and contribution, and his or her fulfillment of committee responsibilities. If a vacancy on a board committee occurs, the Committee shall recommend a director with relevant experience and skills, and who is independent, if required by the committee charter, to be appointed to fill the vacancy.
- The Committee shall recommend to the Board for its approval the Corporate Governance Guidelines. The Committee will review, when required because of developments in the law, and, in any event annually the Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

- The Committee shall develop and recommend to the Board for its approval an annual self-evaluation process for each director and for the full Board that will be conducted and overseen by the Committee. The Committee shall report to the full Board the results of the annual self-evaluation, including any comments from the self-evaluations. However, any comments from the self-evaluations regarding individual directors shall be reported to the Chair and CEO and if necessary, to the relevant committee chair.
- Concerns that are expressed by staff of FII or its subsidiaries or FII shareholders regarding matters (i) which are outside the scope of the FII Code of Ethics for CEO, CFO, and Financial Officers, and (ii) which allege a violation by any director, officer or employee of FII or its subsidiaries of the Company’s Code of Business Conduct and Ethics shall be reported by the appropriate management officials to the Committee for review and investigation and the Committee shall recommend to the Board a plan to resolve each such incident.
- Report material Committee activities and actions to the Board
- Perform any other activities consistent with this Charter, FII’s By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## 5. CHARTER

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### 5.1 Review

At least annually, the Committee shall review and assess the adequacy of this Charter and recommend changes to the Board for approval.

Revision Date	Comments
6/17/2020	Implementation of New Committee Charter Format, allow for Board appointment of Committee Vice Chair, set minimum meeting cadence.