

# **COMMUNITY FINANCIAL SYSTEM, INC.**

## **GOVERNANCE COMMITTEE CHARTER**

### **Purpose**

The Governance Committee is appointed by the Board of Directors (the “Board”) to assist the Board in identifying qualified individuals to become directors, recommend to the Board qualified director nominees for election at the shareholders’ annual meeting, recommend updates to the Company’s Corporate Governance Guidelines, conduct annual self-evaluations of the Committee and the Board and its committee structure, and oversee the corporate governance policies of the Company.

### **Committee Membership and Meetings**

The Committee shall consist of at least three members of the Board each of whom shall meet the independence requirements of the New York Stock Exchange listing standards (the “NYSE Rules”) and any other applicable laws, rules and regulations governing independence as determined by the Board. Members of the Committee and the Chair of the Committee shall be appointed by the Board and may be replaced at any time by the Board.

The Committee shall meet as often as necessary to carry out its responsibilities. Any Committee member may request the Chair of the Committee to call a meeting. The Chair of Committee shall report on any Committee meeting held at the next regularly scheduled Board meeting following the Committee meeting.

### **Duties and Responsibilities**

1. The Committee shall recommend to the Board nominees for director positions for election at the shareholders’ annual meeting.
2. On an annual basis, the Committee will review the Board’s committee structure and consider appropriate assignments for committee membership consistent with the qualifications of directors and applicable legal requirements for various committees and shall submit its recommendations for committee assignments, committee chair positions, and other Board leadership positions to the Board for consideration and approval.
3. In the event that a director vacancy arises that the Board determines to fill, the Committee shall identify a qualified director nominee to be recommended to the Board for appointment by the Board to serve the remainder of the term of the director position that is vacant until the next shareholders’ annual meeting.
4. The Committee shall develop and recommend to the Board for its approval, Corporate Governance Guidelines including director qualifications in accordance with the NYSE Rules. The Committee will review annually the Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

5. In identifying and recommending candidates for Board positions, the Committee shall ensure any director nominee meets the qualifications specified in the Company's Corporate Governance Guidelines, including that the director nominee (i) possess personal and professional integrity, (ii) has good business judgment and relevant experience, and (iii) will be an effective director in conjunction with the full Board in collectively serving the long-term interests of the shareholders. In addition, the Committee shall take the following factors into consideration as well as other factors it deems appropriate from time to time: industry knowledge, relevant skills, enhancing the level of gender and ethnic diversity on the Board, relevant experience with businesses and other organizations, public company experience, financial services or banking industry experience, accounting or finance expertise, willingness to make the required time commitment, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee shall consider all candidates recommended by the Company's shareholders in accordance with the procedures adopted by the Committee and as set forth in the Company's annual proxy statement and shall respond to any director nominations by shareholders.
6. Prior to nominating an existing director for re-election to the Board, the Committee shall consider and review among other relevant factors, the existing director's meeting attendance and performance, length of Board service, ability to meet regulatory independence requirements, and the experience, skills and contributions that the director brings to the Board.
7. In accordance with the Company's Corporate Governance Guidelines, the Committee will facilitate an annual performance evaluation of the Board and its committees, the Chair of the Board, and a review of the effectiveness of the committee structure.
8. The Committee shall review and provide comments on those portions of the Company's annual proxy statement that are within the jurisdiction of the Committee.
9. The Committee shall annually review its own performance, periodically assess the adequacy of its charter and recommend changes to the Board as needed.
10. The Committee shall periodically review the Company's stock ownership guidelines for the Directors, the Chief Executive Officer and other senior executives.
11. Any other duties or responsibilities delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members or to improving or addressing governance matters associated with the Company or its subsidiaries.