



**Financial Institutions, Inc. Board of Directors
Risk Oversight Committee
Committee Charter
Updated May 20, 2026**

1. AUTHORITY AND PURPOSE

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

- Provide oversight of, and monitor the effectiveness of, the Company’s enterprise risk management framework.
- Provide oversight of the Company’s capital, liquidity and funding planning and strategy.
- Provide oversight of the Company’s risk appetite statement, including risk tolerance levels and limits.
- Provide oversight of the performance of the Company’s risk management function.

Risk assessment and risk management are the responsibility of the Company’s management. The Committee’s responsibility in this regard is one of oversight and review.

2. COMPOSITION

2.1 Chair

At least on an annual basis, the Board will appoint a Chair of 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

The Chair will appoint a Secretary for each Committee meeting, who 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.

At least one member of the Committee shall also be a member of the Audit Committee.

In appointing members of the Committee, the Board will consider feedback from the Nominating and Governance Committee. The Board may replace Committee members at any time.

3. OPERATIONS

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 it deems necessary to ensure candid and open communication. However, the Committee should meet without Management present as necessary.

The Chief Risk Officer or appropriate designee will communicate with the Chair on any significant risk issues that arise between Committee meetings.

3.2 Committee Decisions

Decisions at Committee meetings require a quorum of at least a majority of the members of the Committee. The vote of a majority of the Committee members present at a meeting where a quorum is present will be the act of the Committee. 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 Committee member may participate in any action in which that member has an interest.

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.

Members are expected to attend all Committee meetings in person or by phone or videoconferencing.

The Chair, or at least two other members of the Committee, may call a special Committee meeting with twenty-four (24) hour notice to Members.

The Committee Secretary 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

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

Company Capital, Liquidity and Funding

- Review at least quarterly the Company's capital, liquidity and funding strategy along with steps management has taken to manage capital, liquidity and funding relative to established risk methodologies and tolerances
- Review and approve annually (and when material changes are proposed), unless reviewed and approved by the Board as a whole, the Company's capital, liquidity and funding framework and policies which includes the contingency funding plan

Oversight of Risk Management

- Oversee the Company's Enterprise Risk Management framework and Risk Appetite Statement, including the ongoing alignment of the Risk Appetite Statement with the Company's strategy and capital plans
- Receive reports, as necessary and appropriate, from management, including the Company's management-level risk management committees and the Company's subsidiaries
- Review at least quarterly the major risks of the Company and its lines of business, including Strategic, Credit, Market (primarily Interest-Rate), Liquidity, Operational, Compliance, Cybersecurity, and Legal Risks against established risk measurement methodologies and the steps management has taken to monitor and control such risks

Oversee the Company's risk identification framework

- Receive reports at least quarterly from the (i) Chief Risk Officer and/or the Deputy Chief Risk Officer, (ii) Chief Compliance Officer, (iii) Chief Credit Officer, (iv) Corporate Treasurer, (v) Chief Information Security Officer (vi) Director - Financial Intelligence Unit & BSA/AML & OFAC and (vii) other internal departments, including subsidiaries, as necessary to fulfill the Committee's duties and

responsibilities. In the absence of any of these members of management a designee may be appointed to report

- Receive reports, as necessary and appropriate, from Internal Audit regarding the results of reviews and audits of the risk management, liquidity and capital and, compliance functions
- Receive reports, as necessary and appropriate, regarding new product risk, cybersecurity risk, emerging risks and regulatory matters related to the Committee's authority, duties and responsibilities as set forth in this charter
- Review and recommend for the Board's approval annually (and when material changes are proposed) the Company's Enterprise Risk Management Program, including the Risk Appetite Statement, Risk Level Standards and the Company's other significant risk management policies, as appropriate
- Review and approve FII's Corporate Insurance Program including insurance coverage policies at least annually
- Review, approve and recommend for the Board's approval, as necessary and appropriate, risk assessments covering Strategic, Credit, Market (primarily Interest-Rate), Liquidity, Operational, Compliance and Legal Risks to maintain alignment of risk and controls with risk appetite. Receive updated reporting on action plans aimed at aligning risk activities and controls with risk appetite
- The Chief Risk Officer, Chief Compliance Officer, and Director of Internal Audit each shall have access to communicate with the Committee on any matter relevant to risk and compliance
- Review and approve annually the Committee's Work-Plan
- Review and approve, at least annually, the Company's Compliance Policy and Program, and the Company's other significant compliance risk management policies
- Review and approve, at least annually, the Company's BSA/AML Policy and Program, and any other significant guidelines and policies related to financial crimes risk

Oversight of Risk Tolerance

- Receive, as and when appropriate, reports and recommendations from management, including the Company Risk Committee, Credit Committee and ALCO on risk tolerances.
- Oversee the Company's process and significant policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established limits.
- As appropriate, confirm risk tolerance levels and limits as set forth in the Risk Appetite Statement.

Oversight of Regulatory Requirements

- Review risk management regulatory reports and findings of regulators, as applicable to the mandate of the Committee, including management's remediation plans and progress against such plans

Coordination with Management and Other Board Committees

- Coordinate with management, as needed, including the Chief Risk Officer, and the Audit Committee and Technology Oversight Committee (which coordination may be through the Committee Chair), to help ensure that the committees have received the information necessary to permit them to fulfill their duties and responsibilities with respect to oversight of risk management and risk assessment policies
- Coordinate, as needed, with the Management Development and Compensation Committee (which coordination may be through the Committee Chair) in relation to that committee's role with respect to risk matters related to compensation, including ensuring compensation practices are consistent with the safety and soundness of the Company and do not encourage excessive risk taking

Other Authority

- Make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate
- Have such other authority, duties and responsibilities as may be delegated to the Committee by the Board
- 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

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	Update and implementation of New Committee Charter Format
7/21/2021	Review and update Duties and Responsibilities
1/11/2022	Update of Credit Committee name; update of ERM Program document name; update title of Director of ERM vs ERM Dept for clarity.
3/23/2023	Update of Deputy CRO title, add Director of Financial Intelligence Unit & BSA/AML & OFAC to reporting suite; Section 3.2 and 3.3 were updated for clarity.
6/21/2023	No Changes; current version ratified.
3/6/2024	Added cybersecurity as a risk for the Committee's review in Section 4; minor grammatical changes.
5/28/2025	Revised Section 3.1 to remove requirement that the Committee meet without management present.
5/20/2026	No material changes; annual update.
