



**Five Star
Bank**

CODE OF ETHICS FOR CEO, CFO, AND FINANCIAL OFFICERS

Policy Owner	<i>Chief Compliance Officer</i>
Policy Reviewer	<i>Bank Compliance Committee Company Risk Committee Board Risk Oversight Committee</i>
Policy Approver	<i>Board of Directors</i>
Policy Review Frequency	<i>Annually, unless change management warrants an earlier update</i>
Policy Effective Date	<i>July 23, 2025</i>

Table of Contents

- 1. EXECUTIVE SUMMARY2**
 - 1.1. RATIONALE.....2
 - 1.2. SCOPE.....2
 - 1.3. POLICIES.....2
- 2. POLICY STATEMENTS2**
- 3. HONEST AND ETHICAL CONDUCT.....2**
- 4. FINANCIAL RECORDS AND PERIODIC REPORTS3**
- 5. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS.....3**
- 6. POLICY ASSURANCE METHODS3**
 - 6.1. RELATED PROCEDURES.....3
 - 6.2. AWARENESS AND TRAINING METHODS.....3
 - 6.3. CODE ADHERENCE METHODS- RAISING LEGAL AND ETHICAL CONCERNS AND REPORTING MISCONDUCT3
 - 6.4. UPDATE REQUIREMENTS.....3
 - 6.5. CONSEQUENCES OF VIOLATING THE POLICY4
 - 6.6. EXCEPTIONS AND EXEMPTIONS4
- 7. GOVERNANCE.....4**
 - 7.1. COMPLIANCE DEPARTMENT4
 - 7.2. HUMAN RESOURCES DEPARTMENT4
 - 7.3. GOVERNANCE COMMITTEE.....4
 - 7.4. COMPANY RISK COMMITTEE4
 - 7.5. BOARD OF DIRECTORS4
- 8. VERSION HISTORY4**

1. Executive Summary

The Code of Business Conduct and Ethics (“Code”) provides a general statement of the expectations regarding the business conduct and ethical standards that the Chief Executive Officer (CEO) Chief Financial Officer (CFO), other individuals responsible for financial reporting (collectively, the “Financial Officers”) of Financial Institutions, Inc. and its subsidiaries (individually and collectively, the “Company”) should adhere to while employed and acting on behalf of the Company. In addition, other persons performing services for the Company may be subject to this Code by contract or agreement. Each Financial Officer is expected to read and become familiar with this Code and will be required, annually, to affirm his or her agreement to adhere to such standards by signing the Code of Business Conduct and Ethics Acknowledgement. Waivers to the Code will not be granted under any circumstances.

To provide a general statement of the expectations regarding the Company’s reputation is dependent upon the good judgment, ethical standards and personal integrity of every individual in our Company. It is of paramount importance that our Financial Officers always conduct their day-to-day activities in an ethical and responsible manner. This Code and its implementing procedures and processes are followed to comply with the Sarbanes Oxley Act section 406 and SEC and NASDAQ requirements.

1.1. Rationale

The Financial Officers hold an important role in corporate governance. The Financial Officers are vested with both the responsibility and authority to protect, balance and preserve the interests of all the Company’s stakeholders, including shareholders, clients, personnel, and suppliers of the communities in which business is conducted. The Financial Officers fulfill this responsibility by prescribing and enforcing the policies and procedures employed in the operation of the organization’s financial department. The Financial Officers will be required to review and acknowledge this Code on an annual basis

1.2. Scope

This Code applies to the Financial Officers and contingent¹ workers (collectively “Personnel”) of the Company.

1.3. Policies

The following policies are superior or subordinate to this Policy:

- Code of Conduct and Ethics

2. Policy Statements

Below are high-level statements and standards that collectively form this Code:

1. Honest and Ethical Conduct. It is Company policy that all personnel exercise appropriate judgement in every action they take.
2. Financial Records and Periodic Reports. It is Company policy that all personnel handle business related documents and transactions in a responsible manner.
3. Compliance with Applicable Laws, Rule and Regulations. It is Company policy that all personnel conduct themselves and business activities in accordance with the letter and spirit of applicable laws, regulations and, our policies.

3. Honest and Ethical Conduct

The Financial Officers will exhibit and promote the highest standards of ethical conduct through the establishment and operation of policies and procedures that:

- Encourage and reward professional integrity in all aspects of the financial organization, by eliminating inhibitions and barriers to responsible behavior such as coercion, fear of reprisal, or alienation from the organization itself;
- Prohibit and eliminate the appearance or occurrence of conflicts between what is in the best interest of the organization and its shareholders, and what could result in material personal gain; and
- Demonstrate their personal support for such policies and procedures through periodic communications reinforcing these ethical standards throughout the financial department.

¹ Note: a contingent worker is any person who is not an employee of the Company, who is providing services to the Company.

4. Financial Records and Periodic Reports

The CFO will establish and manage the organization's transaction and reporting systems and procedures to ensure that:

- Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with Generally Accepted Accounting Principles (GAAP) and established Company financial policy;
- The retention or proper disposal of Company records shall be in accordance with established financial policies of the organization and applicable legal and regulatory requirements; and
- To the extent consistent with applicable legal and regulatory requirements, periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

5. Compliance with Applicable Laws, Rules and Regulations

The CEO and CFO will establish and maintain mechanisms to:

- Educate members of the financial department about any federal, state or local statute, regulation, or administrative procedure that affects the operation of the financial department and the organization generally;
- Monitor the compliance of the finance department with any applicable federal, state or local statute regulation or administrative rule; and
- Identify, report and correct in a swift and certain manner, any detected deviations from applicable federal, state or local statute or regulation.

* This Code should be read in conjunction with the Code of Business Ethics and Conduct Policy and the Whistleblower Policy.

6. Policy Assurance Methods

6.1. *Related Procedures*

The Procedures below are subordinate to this Policy and are subject to change in accordance with applicable updates and amendments to the Policy or as otherwise approved.

- Insider Trading Procedure

6.2. *Awareness and Training Methods*

- This Code and related procedures will be accessible through StarNet.
- Applicable personnel employees will be required to read and attest to this Code annually

6.3. *Code Adherence Methods- Raising Legal and Ethical Concerns and Reporting Misconduct*

Our reputation for integrity depends upon you. If you believe you or others (for example, an employee, a supervisor, client, supplier or other third party) may have violated laws, regulations or our policies, you must promptly notify your supervisor, a member of the Compliance team or your Human Resources representative.

Failure to observe this Code or Company policies may result in disciplinary action, up to and including immediate termination of your relationship with the Company. Furthermore, violations of this Code or Company policies may also be violations of the law and may result in civil or criminal penalties for you, your supervisors and the Company.

6.4. *Update Requirements*

This Code will be reviewed and updated at least annually or updated as required by the Chief Compliance Officer.

6.5. *Consequences of Violating the Policy*

Failure to comply with this Code may subject personnel to a range of disciplinary actions, up to and including termination of employment. Furthermore, violations of this Code may also be violations of the law and result in monetary and other damages and civil or criminal penalties for you, your supervisors and the Company.

6.6. *Exceptions and Exemptions*

Requests for exceptions or exemptions to the Code must be made in writing to and approved by the Chief Compliance Officer.

7. Governance

Roles and responsibilities for key governance committees and personnel, including (as applicable):

7.1. *Compliance Department*

- Administrators of the Code;
- Coordinate the various inputs and support mechanisms that guide personnel behavior;
- Chief Compliance Officer is the point of contact for any officer, director, or personnel regarding any item in the Code

7.2. *Human Resources Department*

- Coordinate the various inputs and support mechanisms that guide Personnel behavior;
- Chief Human Resources Officer or designee is the point of contact for any officer, director, or Personnel regarding any item in the Code.

7.3. *Governance Committee*

- Responsible for consulting and providing oversight in the development and implementation of the Code.

7.4. *Company Risk Committee*

- Assesses the quality of the Bank's risk management to ensure compliance with this Code and all applicable laws and regulations.
- Any violations to the Code of Ethics are communicated to the Company Risk Committee as applicable.

7.5. *Board of Directors*

- Provides guidance to deal with ethical issues and helps foster a culture of honesty and accountability;
- Reviews and approves this Code annually.

8. Version History

Provide a version history of the policy, including sections updated, brief high level description of material changes to the policy and effective date.

Version #	Sections Updated	Description of Changes	Effective Date
1.0	All	Implementation of New Policy Format	1/2020
2.0	All	Grammatical and formatting	1/2021
3.0	None	N/A	1/6/2022
4.0	Section 6	Added a section for related procedures	1/5/2023
	Section 7	Added the HR Department as a responsible party	
5.0	Section 7.4	Added requirement that violations are to be reported to the CRC, as applicable	

6.0	All	Implementation of New Policy Format	
	Section 1.3	Added the Code of Conduct and Ethics as a related policy	07/23/2025
7.0	Section 6.2	Minor verbiage change to Code of Conduct attestation requirement	
