

PEOPLES FINANCIAL SERVICES CORP.  
PEOPLES SECURITY BANK AND TRUST COMPANY  
150 N. Washington Avenue, Scranton, PA 18503

**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

*Amended and Restated as of May 31, 2019*

I. ORGANIZATION

A. Membership

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Peoples Financial Services Corp. (the “Company”) shall consist of at least five members, each of whom shall (i) be independent, as required by any applicable regulations of the Securities and Exchange Commission (“SEC”) and the requirements set forth in the listing rules and regulations of any national securities exchange or inter-dealer quotations system on which the Company’s securities are listed or, in the event the Company’s securities are not listed on any such exchange, chosen by the Board for disclosure purposes in accordance with SEC regulations; and (ii) satisfy any additional independence criteria established by the Board from time to time.

The members of the Committee, including the chairperson of the Committee, shall be appointed in accordance with the Company’s Amended and Restated Bylaws (the “Bylaws”). Should any member of the Committee cease to be independent, such member shall immediately resign his or her membership on the Committee. The Board of Directors may remove a member of the Committee at any time with or without cause. In the case of a vacancy on the Committee, the Board may appoint an independent director to fill the vacancy for the remainder of the term.

B. Meetings

The Committee shall meet at such times and from time to time as it deems to be appropriate, but not less than once annually. Members of the Committee may attend a meeting by telephone conference but not be paid a fee, unless determined by the Board. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Except as otherwise provided by statute, the Bylaws or this Charter, the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Minutes of each meeting of the Committee shall be reduced to writing. The Committee shall report to the Board at the first regular Board meeting following each such Committee meeting. The Committee may also act by unanimous written consent without a meeting.

## II. BASIC FUNCTION AND PURPOSE

The role of the Committee is to:

- solicit recommendations from directors, management, and other appropriate third parties for potential Board member candidates and collect and analyze information regarding their suitability,
- review and respond to director nominations received from shareholders of the Company,
- assist the Board in determining the size and composition of the Board and its committees, and of the board of directors and committees of the Company's subsidiaries, and
- develop and, if applicable, recommend to the Board for approval, corporate governance guidelines and other governance policies.

## III. RESPONSIBILITIES

Subject to the provisions of the Company's corporate governance guidelines that may be in effect from time to time, the Committee shall:

1. Evaluate and identify the range of skills and expertise which should be represented on the Board, and the eligibility criteria for individual Board and committee membership.
2. Evaluate from time to time the size, composition and structure of the Board, including whether one or two individuals should serve as chairman and chief executive officer, whether the Board should have a lead independent director and the role of any lead independent director, whether the leadership structure is appropriate given the specific characteristics and circumstances of the Company, and the effect of risk oversight on the Board's leadership structure.
3. Conduct a preliminary review of director independence and the financial literacy and expertise of potential audit committee members in order to assist the Board in its determinations relating to such matters.
4. Identify potential candidates for election or re-election to the Board. In making a recommendation to the Board regarding a director candidate, identify the specific experience, qualifications, attributes or skills that led to the conclusion that such candidate should serve as a director at the time of the recommendation, in light of the Company's business and structure.
5. Develop and recommend to the Board a policy with regard to the consideration of diversity in identifying director candidates, implement any approved diversity policy, evaluate candidates in accordance with such policy, and periodically assess the effectiveness of such policy.



6. Implement a policy and procedures with regard to the consideration of any director candidates recommended by shareholders.

7. Review and recommend to the Board the appropriate structure of Board committees, committee assignments and the position of chairman of each committee.

8. Identify and prioritize with management significant risks facing the Company and recommend to the Board whether the Board or a particular Board committee should have primary responsibility for oversight of each such identified risk.

9. Keep apprised of requirements, trends and best practices in corporate governance of companies similar to the Company.

10. Review proposed changes to the Company's articles of incorporation, Bylaws, and Board committee charters, and make recommendations to the Board with respect to such changes.

11. Develop, update and recommend to the Board for adoption, corporate governance guidelines and other governance policies for the Company, and monitor compliance with such guidelines and policies.

12. Develop director, chief executive officer, and key executive succession plans and recommend such plans for approval by the Board.

13. Review and, if appropriate, approve any employee director standing for election to for-profit third party boards of directors.

14. Develop and implement a policy regarding shareholder communications with the Board, and ensure that proper attention is given to shareholder concerns regarding corporate governance.

15. Lead the Board in a periodic self-evaluation process, including self-evaluation of each Board committee, and report its conclusions and any recommendations to the Board.

16. Review and reassess the performance of this Committee and the adequacy of its Charter not less frequently than annually and recommend any proposed changes to the Board for consideration and approval.

The specificity of the above responsibilities and duties is set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate, given the circumstances, provided that the Committee fulfills its duties and responsibilities under applicable laws, regulations and listing standards, and such other duties and responsibilities as may be specifically designated by the Board.



#### IV. AUTHORITY

The Committee will have the resources budgeted for it and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel, or other experts or consultants, as it deems appropriate, including sole authority to approve fees and other retention terms. The Committee will be provided with appropriate funding by the Company with a budget set by the Board, for the payment of compensation to the Company's outside counsel and other advisors, as it deems appropriate, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee, in its discretion, may refer any matter that it has the authority to approve to the Board or other committee designated by the Board, together with its report and recommendation, unless such matter is required to be approved by a nominating committee comprised solely of independent directors under applicable law, regulation, or listing standards.

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