

CHARTER

CANANDAIGUA NATIONAL CORPORATION THE COMPENSATION COMMITTEE

Purpose:

The Compensation Committee is a standing committee of the Board of Directors. The purpose of the Compensation Committee is to act on behalf of the Board of Directors of the corporation to assure the existence and implementation of fair and equitable human resource policies and competitive compensation programs that support the Mission, Vision, and Values of the corporation and its subsidiary entities.

The Compensation Committee's primary responsibilities are to:

- Evaluate and approve, or recommend to the board for approval, the director and officer compensation plans, policies and programs
- Provide general oversight of the overall compensation structure of the corporation and its subsidiaries including cash and equity compensation plans and benefits programs
- Ensure compensation plans are consistent with Sound Incentive Compensation Policies and regulatory guidelines

Members:

Members of the Compensation Committee shall be recommended, approved, and replaced by the Board. The Compensation Committee shall consist of no fewer than three non-employee directors who shall be a majority of the members of the Committee.

Meetings:

The Committee shall meet as often as necessary to carry out its responsibilities. Any Committee member may request that the Chair of the Committee Call a meeting. The Chair of the Committee will report on Committee meetings at Board meetings.

Authority:

- The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of directors, CEO or senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Compensation Committee may form and delegate authority to subcommittees as it deems appropriate.

Committee Approved: 12/14/11
Approved by Board: 01/11/2012
Annual Approval by Board:

Duties and Responsibilities:

- Consider compensation issues of related entities
- Approve salary ranges and scales for all personnel
- Annually review and approve salary for the CEO and executive officers, and review salary recommendations for other officers.
- Establish a performance based compensation program, perquisites and benefits for senior management
- Review goals and objectives of CEO and senior management, their relevancy to the strategic plan and evaluate performance related to goals (Scorecard process)
- Review and approve the overall goals and purposes of the incentive compensation system, and regularly monitor and confirm all programs are balanced relative to risk and reward.
- At least annually review and evaluate the compensation policies and practices for all employees and consider whether risks arising from such policies and practices are likely to have a material adverse effect on the Company.
- Direct the evaluation process for CEO
- Approve senior executive promotions
- Review and make recommendations to the Board with respect to directors' compensation
- Assure effective senior management depth of bench and leadership development programs
- Act as the search committee in the event of CEO succession
- Assure appropriate succession and contingency planning
- Approve an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations
- Periodically assess the adequacy of the charter and recommend changes to the Board as needed

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