

## **Pathfinder Bancorp, Inc.**

---

### **Compensation Committee Charter**

#### **Purpose**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board of Directors”) of Pathfinder Bancorp, Inc. (the “Company”) on the recommendation of the Nominating and Corporate Governance Committee and shall be responsible for making recommendations to the Board of Directors regarding base compensation, short-term incentive compensation, long-term incentive compensation, benefits and perquisites for executive officers and compensation for directors of Pathfinder Bancorp, Inc., and its subsidiaries. In performing this function, it shall be the objective of the Committee to: (i) encourage the achievement of the Company’s long-range objectives by providing compensation which is directly related to the performance of the individual and the achievement of internal strategies and objectives; (ii) establish compensation policies and guidelines that will attract and retain qualified personnel through an overall level of compensation opportunity that is competitive within the Company’s industry; (iii) promote a direct relationship between compensation and the Company’s performance by facilitating stock ownership through restricted stock and stock option awards, where appropriate and; (iv) ensure that no compensation plans or practices promote excessive risk-taking or encourage behavior inconsistent with the Company’s vision, strategy or compensation philosophy. The ultimate goal of the Compensation Committee is to balance base, short-term and long-term compensation elements in a manner that aligns with shareholder value. To the extent required, the Committee shall review and approve the “Compensation Discussion and Analysis” included in the annual meeting proxy statement and prepare, publish and adopt a compensation committee report in the annual meeting proxy statement.

#### **Composition of the Committee**

The Committee shall be composed of a minimum of three (3) directors, each of whom meet the independence requirements of the NASDAQ Exchange. The Chairman of the Committee shall be designated consistent with the provisions of the Company’s Governance Guidelines. In the absence of the Chairman, the members of the Committee may designate a chairman by majority vote.

#### **Authority and Responsibilities**

The Committee is authorized to recommend to the Board of Directors: (1) the compensation of executive officers and directors of the Company; and (2) the establishment of equity and/or incentive plans. The Committee is also authorized to administer any annual incentive plan, equity plan or plans applicable to executive officers and directors of the Company.

The Committee may determine, from time to time, the advisability of retaining a compensation consultant, independent legal counsel or other advisors (“consultants”) to assist in the evaluation of Chief Executive Officer or other executive officer compensation or the compensation of directors. The Committee has the authority to retain, at Company expense, and terminate the consultants, including sole authority to approve the consultant’s fees and other retention terms. The Committee has the authority to accept, reject or modify the advice it receives from the consultants.

The Committee may also recommend changes to the Company's executive and director compensation policies. In addition, the Committee may review and recommend to the full Board of Directors, corporate goals, and objectives relevant to the compensation to be paid to the Chief Executive Officer, each of the other executive officers of the Company, and directors.

The Committee shall:

1. Annually evaluate the performance of the Chief Executive Officer in light of the corporate goals and objectives approved and recommend base salary and incentive bonus levels of the Chief Executive Officer of the Company. The Chief Executive Officer may not be present during voting or deliberations on the Chief Executive Officer's compensation.
2. Annually review and recommend base salary and incentive bonus levels of the other executive officers of the Company, as such are recommended to the Committee by the Company's Chief Executive Officer.
3. Review, evaluate and determine the terms of employment, change in control and/or severance agreements/arrangements for executive officers, as well as other compensatory arrangements for executive management.
4. Review, evaluate and determine the compensation to be paid to directors of the Company for their service on the Board of Directors.
5. Annually review the adequacy of this Charter and recommend changes to the Board of Directors as needed.
6. Make regular reports to the Board of Directors concerning the activities of the Committee.

### **Committee Meetings**

The Committee shall meet at least two times per year. A majority of Committee members shall constitute a quorum, and a majority of the members present at any meeting shall decide any questions brought before the Committee. Minutes of these meetings shall be kept. The Chief Executive Officer will function as the management liaison officer to the Compensation Committee.